1994 - 1998
ATE OF MONTANA
COMPREHENSIVE HOUSING AFFORDABILITY STRATEGY (CHAS)

FIVE-YEAR PLAN

DRAFT REPORT FOR PUBLIC REVIEW

MONTANA DEPARTMENT OF COMMENCE
OCTOBER 22, 1993


LINCOLN COUNTY
FLATHEAD COUNTY
GLACIER COUNTY
TOOLE COUNTY
LIBERTY COUNTY
HILL COUNTY
PONDERA COUNTY
SANDERS COUNTY
LAKE COUNTY
BLAINE COUNTY
DANIELS COUNTY
SHERIDAN COUNTY
TETON COUNTY
MINERAL COUNTY
PHILLIPS COUNTY
VALLEY COUNTY
CHOUTEAU COUNTY
ROOSEVELT COUNTY
LEWIS AND CLARK COUNTY
MISSOULA COUNTY
CASCADE COUNTY
FERGUS COUNTY
RICHLAND COUNTY
MCCONE COUNTY
POWELL COUNTY
JUDITH BASIN COUNTY
GARFIELD COUNTY
GRANITE COUNTY
PETROLEUM COUNTY
MEAGHER COUNTY
DAWSON COUNTY
RAVALLI COUNTY
JEFFERSON COUNTY
DEER LODGE COUNTY
WHEATLAND COUNTY
BROADWATER COUNTY
MUSSELSHELL COUNTY
PRAIRIE COUNTY
WIBAUX COUNTY
SILVER BOW COUNTY
GOLDEN VALLEY COUNTY
GALLATIN COUNTY
TREASURE COUNTY
SWEET GRASS COUNTY
YELLOWSTONE COUNTY
CUSTER COUNTY
FALLON COUNTY
MADISON COUNTY
STILLWATER COUNTY
ROSEBUD COUNTY
BEAVERHEAD COUNTY
PARK COUNTY
BIG HORN COUNTY
CARBON COUNTY
POWDER RIVER COUNTY
CARTER COUNTY
YELLOWSTONE NATIONAL PARK

CHAS Cover Sheet

Appendix B

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)
Instructions for States

Name of State:
Montana

Type of Submission (mark one)
[X] New Five-Year CHAS: (enter fiscal yrs.) FY: through FY:
[ ] Annual Plan for FY:

Name of Contact Person:
Mr. George Warn

Telephone No
(406) 444-2804

Address
Housing Assistance Bureau
1424 9th Avenue, P.O Box 200501
Helena, MT 59620 - 0526

(mark one)
[X] Initial Submission
[ ] Resubmission of Disapproved CHAS

The State
Name of Authorized Official:
Mr. Jon D. Noel, Director
Montana Department of Commerce
Signature & Date:
X

HUD Approval
Name of Authorized Official:
Signature & Date:
X

Barbara H. Richards, Director
Office of Community Planning and Development
U.S. Department of Housing and Urban Development
Denver Regional Office, Region VIII
1405 Curtis Street
Denver, Colorado 80202-2349

December _, 1993

Dear Ms. Richards:

As required by the Cranston-Gonzalez National Affordable Housing Act, I hereby submit the original and two copies, including all attachments and certifications of the Comprehensive Housing Affordability Strategy (CHAS) for the State of Montana by the Department of Commerce.

Please direct any questions or comments on the CHAS document to Newell B. Anderson, Administrator, Local Government Assistance Division.

Sincerely,

Jon D. Noel
Director

cc: Newell B. Anderson, Administrator
Local Government Assistance Division

1994 - 1998
STATE OF MONTANA
COMPREHENSIVE HOUSING AFFORDABILITY STRATEGY
(CHAS)

FIVE-YEAR PLAN

DRAFT REPORT FOR PUBLIC REVIEW

Prepared for the
Housing Assistance Bureau
Montana Department of Commerce
(406) 444-2804

by
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(503) 228-6325

October 22, 1993

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EXECUTIVE SUMMARY

In response to the 1990 Cranston-Gonzalez National Affordable Housing Act, Montana began the formulation of a statewide housing assistance strategy. The federal fiscal year 1994 CHAS is intended to outline Montana's plans for the use of affordable and supportive housing program funds anticipated during the next five years. The FY 1994 CHAS has been developed through the cooperation of State and local government organizations, housing-related nonprofit organizations, concerned citizens, contributions from the real estate, lenders, residential development communities, and randomly surveyed Montana citizens.

The results of all needs assessments have determined that Montana's communities face housing problems as diverse as the State's geography. On one hand, the combination of population migration, economic restructuring, and falling real wage rates have had adverse affects on Montana's economic well-being and the provision of affordable housing. On the other hand, in many areas of the State, the cost of housing has risen dramatically and affordable housing for very low-income, low-income, and moderate-income Montanans has become virtually non-existent since the 1990 Census was taken. In other parts of the State, a lack of is maintenance because of low rents or incomes is causing a decline in the suitability of the housing stock. No single approach, or housing priority, fits all regions of the State equally well. Acceptably addressing the range of severe needs, while allocating resources equitably, may ten to make for a complicated housing policy agenda. Affordable housing deficiencies, whether particular to a specific community or spread statewide include:

- An overall shortage of available housing stock;
- Shortage of assisted rental units;
- Shortage of available capital to build an adequate number of affordable housing units;
- Inability of low- and moderate-income households to afford to buy homes;
- Limited resources to finance housing maintenance and improvements;
- Complex and under funded housing assistance programs;
- Fair housing non-compliance;
- Inadequate resources to meet the needs of persons requiring supportive and transitional services in achieving permanent housing;
- High prospective risks of lead-based paint hazards in low-income households;
- A propensity for overcrowding in low-income, large family households, especially rental households; and,
- Restrictive conditions placed on some forms of affordable housing, thereby limiting its provision.

Montana believes these problems can be reduced, or perhaps eliminated, through the following actions:

- Constructing more low-rent units;
- Constructing more affordable single-family homes;
- Rehabilitating existing low-rent units;
- Rehabilitating existing single-family units;
- Developing more affordable home ownership opportunities;
- Providing repair and maintenance assistance;
- Providing advice and assistance for manufactured and mobile home owners;
- Providing assistance for single-parent families and families with other supportive needs;
- Developing more low-rent congregate care facilities for elderly Montanans;

- Providing more housing for disabled persons and persons requiring supportive services: and
- Developing more shelters and services for homeless and runaway youth.

The State has organized these actions into four broad housing policy objectives in its CHAS: enhancing availability, promoting affordability, securing suitability, and enhancing accessibility of the housing stock. These broad policy objectives translate into a set of desired strategic actions. There are:

- Relieve the shortage of available housing stock;
- Increase the stock of rental units, especially assisted units;
- Promote capital formation to build an adequate number of affordable housing units;
- Increase the ability of low- and moderate-income households to buy homes;
- Increase resources to finance housing maintenance and improvements;
- Better define and explain housing assistance programs;
- Work to ensure fair housing compliance;
- Assist in securing adequate resources to meet the needs of persons requiring supportive and transitional services in achieving permanent housing;
- Assist in securing adequate resources to meet needs for supportive services for the homeless;
- Assist in securing additional funding and resources to increase capacity and counseling service for runaway youth;
- Increase accessibility of Montana's housing stock; and
- Increase energy efficiency of Montana's low-income housing stock.

Additional goals for the next five years are anticipated:

- Support housing market intervention to increase provision of affordable housing;
- Increase the supply of affordable rental units and for-purchase homes;
- Establish a State loan program to aid local governments in meeting federal match requirements;
- Apply for HOME reallocation funds;
- Develop an integrated tracking system to facilitate monitoring of projects and assisted persons; and,
- Evaluate affects of Federal Policies on the provision of affordable housing and rural development.

With these aims in mind, the following programs give purpose to the CHAS five year plan:

- HOME Program
- Community Development Block Grant Program
- Montana Board of Housing Programs (elderly, single-family, multifamily, and manufactured homes)
- Emergency Shelter Grant Program
- U.S. Department of Energy Programs (e.g., LIEAP, weatherization)
- HOPE 1, 2, and 3
- HOPE for Youth (Youthbuild)
- Low Income Housing Preservation Program
- Shelter Plus Care
- Supportive Housing for the Elderly (Section 202)
- Supportive Housing for Persons with Disabilities (Section 811)
- Safe Havens Demonstration Program (for Homeless Individuals)
- Supportive Housing Program
- Moderate Rehab ation Single Room Occupancy Program
- Housing Oppo es for Persons with AIDS
- Rural Homele Grant Program

MDOC realizes that significant effort must be made to turn the tide of increasing housing difficulties; specific actions must take place. For the upcoming year, these are planned to be:

- Promote the single-source information clearinghouse for housing and related services;
- Explore alternative ways in which local governments can promote affordable housing;
- Continue expanding MDOC's role in the provision of technical assistance;
- Promote and distribute information about the Community Reinvestment Act;
- Analyze the survey of randomly drawn citizens to more completely portray opinions of Montana citizens relating to current housing conditions;
- Prepare economic and demographic data book for program applicants;
- Analyze household survey data to assist in determining regional housing strategies for CDBG development activities and distribute findings;
- Contact all known transitional, emergency, and other temporary housing facilities for additional information;
- Develop *Model Subdivision Regulations* document;
- Assist in securing more stable funding sources for Montana's existing homeless facilities and services;
- Analyze SRS homelessness data set for further specification of data related to homelessness;
- Support Governor's task force charged with researching Montana's housing situation;
- Track impact of lowered Section 8 Fair Market Rents rental assistance on homelessness;
- Evaluate affects of Federal Policies on provision of affordable housing and rural development;
- Leverage federal dollars to attract private investment money;
- Continue supporting grant and loan applications of other entities seeking housing assistance and expanding the supply of housing; and,
- Continue promoting and assisting nonprofit entities in receiving CHDO certification.

All programs, resources, and proposed activities will be distributed equitably throughout the State, to the extent possible and applicable, and according to competitive (or formula) guidelines set forth by local, State, and federal agencies.

In addition to developing the five year plan, the CHAS Five Year Strategy and Annual Plan is designed to meet other requirements set forth by HUD and the 1990 Cranston-Gonzalez National Affordable Housing Act. This document will be used by Federal agencies to make appropriation decisions regarding housing and related services that affect resources made available to Montana. Its importance can not be underestimated. In requiring the CHAS, HUD has provided very specific guidelines regarding its format, organization, and content. In fully complying with these guidelines, some of the latter sections have redundant narratives. Therefore, depending upon information needs, the reader may wish to consult only certain portions of the CHAS. For this reason, the following succinctly summarizes the content of each major pare of the CHAS Five Year Plan.

INTRODUCTION:

CHAS Development Process -- In the opening portion of the CHAS, the process by which the CHAS was developed is highlighted, identifying significant features of the process, groups, and activities undertaken to assure citizen involvement.

SECTION I:

State Profile -- This includes an overall description of the State, market and inventory conditions for housing, an assessment of housing needs, current estimates of needs for affordable housing, and resources available to address the needs. The assessment is broken down into racial/ethnic, low income, nature and extent of homelessness, sheltered and unsheltered, and the supportive housing needs of non-homeless groups. As well, five-year economic, demographic, and household projections are offered along with longer term statements of housing need.

SECTION II:

Five-Year Strategy -- In this section, and associated with market and inventory conditions arising from future socio-economic conditions, five-year goals are presented within a priority ranking with an analysis and strategy development. It discusses public policies which may affect the provision of affordable housing and projected efforts to ameliorate any negative effects. The structure for program delivery and intergovernmental cooperation are discussed along with gaps in both. Use of Low Income Housing Tax Credit (LIHTC) funds and public housing resident initiatives are each presented. The narrative presents the State's activities related to lead-based paint hazard evaluation and reduction.

SECTION III:

Annual Plan -- The annual plan considers several specific actions which will be taken in the next fiscal year to reach toward goals outlined in the five-year strategy. It adds specific actions to the general plans outlined in the five year plan. In addition, the State specifies a statewide anti-poverty strategy.

At the end of the annual plan are a summary of citizen comments and the certifications that the State will affirmatively further fair housing and that it is following a residential antidisplacement and relocation assistance plan, as per HUD's requirements.

APPENDICES:

Glossary -- A glossary of terms used in the CHAS to help the reader better understand the contents of the CHAS.

Appendix A -- Copies of survey instruments and follow-up letters.

Appendix B -- NPA Economic and Demographic Forecast Documentation

List of References

INTRODUCTION

Decent and affordable housing is an essential element to the quality of American life. The federal government has played a large role in addressing housing issues ever since the time of the New Deal, when housing was defined as a part of the nation's policy agenda. A number of public programs were created which were intended to serve the housing needs of the poor, elderly, and others for whom affordable and decent housing was unattainable. Since the first public housing programs were initiated in 1934, housing has been central to the nation's sense of well-being.

As the U.S. entered the 1980s, the federal commitment to housing fell significantly, plunging from $26.7 billion to less than $10 billion between 1980 and 1986. At the same time, the cost of housing rose faster than most people's ability to pay for it. This resulted in a sizable gap between the provision of and demand for affordable housing. These needs were addressed when, on November 28, 1990, President George Bush signed into law the Cranston-Gonzalez National Affordable Housing Act.[1]

As the country moves through the 1990s, the nature of federal housing policy now being implemented reflects dual purposes: to provide decent and affordable housing and to emphasize the importance of states in policy formation. Funding directed toward housing has risen in response to the act, increasing almost to the 1980 level. The National Affordable Housing Act formally augments the role of states and entitlement areas in addressing housing issues by requiring them to develop five-year comprehensive planning strategies from which policy and appropriation decisions can be made.

This document, the Montana FY 1994 Five Year Comprehensive Housing Affordability Strategy (CHAS), is submitted to the U.S. Department of Housing and Urban Development (HUD). It is designed to fulfill that requirement. The Montana CHAS follows the explicit reporting instructions and organizational guidelines set forth by HUD.

SUMMARY OF MONTANA'S HOUSING DIFFICULTIES

The lack of affordable housing for very low-, low-, and moderate-income persons has risen in prominence as a national policy issue. Across the nation, it has affected individuals, families, and the elderly, whether homeowners or renters. According to a 1986 report prepared by the National Governor's Association, housing costs are rising faster than income.[2]

Montana has not escaped the influences of the nation's housing problems. An analysis of the number of low-rent units, low-cost homes, and the number of households earning less than

[1] The Act does not currently include Section 8 except for the Single Room Occupancy Program, nor does it include the Farmer's Home programs in its CHAS process. Montana's Indian reservations are not addressed within the state's guidelines issued by HUD.

[2] *Decent and Affordable Housing for All: A Challenge to the States*. National Governor's Association, 1986.

$15,000 per year indicates that there may have been a shortage of as many as 25,000 units of affordable housing to those households in 1990. This particularly affects families, who make up almost 70 percent of Montana's households. Today, the situation is much worse, as pressures and constraints on the housing market have spread to affect Montanans of all income categories.

These shortages have driven monthly rental payments and housing costs up sharply in the last few years. This makes many people at potential risk of homelessness and places home ownership out of reach for many low- and moderate-income Montanans. Even though there is great demand for low-cost housing, there has been little new construction of single-family or multifamily units for low- and moderate-income Montanans.

Rehabilitation of the existing housing stock is a pressing issue for Montana. Many occupied units across the State are in poor condition because their owners cannot afford maintenance costs. Elderly Montanans, who constitute the largest group of homeowners in the State, often lack the resources necessary to maintain their homes. For potential homebuyers, units which stand vacant for long periods of time constitute a different rehabilitation problem. Often the cost of bringing the units up to a liveable standard is prohibitive. The poor condition of the units can also preclude the use of mortgage insurance programs, without which the units are not easily financed.

There is also a need for modification of existing units. Modification of units is required to make housing accessible to Montana's physically disabled population, some of whom currently live in units which are not adequately equipped. In addition, energy inefficient units are placing an unnecessary cost burden on Montana's renters and homeowners. Energy efficiency modifications are needed to address the overall issue of affordable housing across the State.

A number of groups in Montana have special needs linked to the provision of affordable housing. For homeless people, the disabled, families headed by single parents, and the elderly, there is a need for supportive services which facilitate independence. Homeless young people in Montana, while not as prevalent as in other states, are finding fewer available units in some local shelters. These facilities are simply not able to meet the need for emergency and transitional housing.

Single parents head 17 percent of Montana's families. Where there is a high rate of single-parent families in public housing facilities (a situation more common to Montana's major cities) the provision of day care and job training services is needed both to facilitate the family's move toward self-sufficiency and maintain a stable public living environment.

The elderly make up more than 17.5 percent of Montana's adult population and represent the largest group of homeowners in the State. Congregate care housing for this group, which fosters independent living while providing supportive services, is becoming a compelling need for the future.

There were more than 50,000 mobile homes in Montana in 1990. Whereas manufactured and mobile homes represent an affordable housing alternative for many Montanans, such owners tend to face restrictive or discriminatory zoning laws or practices in many areas. The challenge to policy makers in Montana is to identify and press for equitable alternatives to current zoning and land-use conditions for low- and moderate-income Montanans.

Montana's economy has suffered along with the national recession. Industrial activities related to the State's resource base declined, particularly in lumber and wood products. Structural changes in the State's economy have compounded the problem. Many of these economic difficulties will continue. Without proper intervention by housing specialists, the lack of available, affordable, and suitable housing may persist.

Montana's limited resources are not adequate to address *all* the housing requirements of low- and moderate-income households, elderly Montanans, people with special needs, and other in-need populations. The Montana Department of Commerce (MDOC) and the people of the State share in the task of exploring creative approaches to expanding the supply of housing across the State. Together, through the stewardship of MDOC, Montana intends to move forward in securing and applying federal, state, and private resources to solve the State's housing problems.

THE CHAS DEVELOPMENT PROCESS

The development of comprehensive strategies for housing in Montana is a process that continued throughout the fiscal year, spanning a variety of settings. Through this process, the State has attempted to enhance the prospects for delivering benefits to the people of the State, and to improve the formation of policies and programs that support the availability and delivery of affordable housing. The CHAS development process has several distinct steps. These were:

1. Delivery of new program services;
2. Interagency cooperation and coordination;
3. Consultation with concerned citizens and organizations;
4. Advisory and policy formation functions; and
5. Heightened public awareness of the citizen involvement process.

1) DELIVERY OF NEW PROGRAM SERVICES

MDOC completed the first application cycle for the HOME Program in FY 1993. The design, development, and implementation of the program spanned many months and included citizen involvement in many areas of the State. Nine cities were visited during September and October 1992. For this part of the application and training process, the cities and towns solicited for input were Havre, Glasgow, Miles City, Billings, Helena, Kalispell, Missoula, Butte, and Great Falls. All meetings were advertized in printed media prior to opening of the process. MDOC followed these with application workshops in Missoula, Bozeman, Lewistown, and Billings. Closing of the first competitive bid application process occurred on February 16,

1993. A total of 25 applications were received during the first grant competition, totaling $6.96 million in funds. With the $3,981,000 available for FFY92, MDOC awarded grants to fourteen applicants. Three of the successful candidates were Community Housing Development Organizations (CHDOs).

2) INTERAGENCY COOPERATION AND COORDINATION

Implementing the application process for the HOME Program was not the sole component of the CHAS development process. MDOC continues to have other institutional concerns, such as the integration and coordination of its programs with other means to provide affordable housing. For example, many banks, savings and loans, and other financial organizations involved in housing are interested in taking advantage of federally assisted housing improvement programs in order to meet the requirements of the Federal Community Reinvestment Act (CRA). The Census and Economic Information Center, within MDOC, has been responding to many requests throughout the year for information pertinent to the CRA program. Some financial institutions have implemented programs in response to the Community Reinvestment Act, through the cooperation of MDOC.

Another federally assisted program is the Montana CDBG Program, a federally-funded competitive grant program designed to help communities of less than 50,000 population with their greatest community development needs. Eligible applicants are limited to general purposed local governments. All projects must principally benefit low and moderate income persons. The basic categories for local community development projects are: housing, public facilities, and economic development. Housing projects may involve rehabilitation of homes owned or rented by low- or moderate-income families, as well as activities that improve the neighborhood in which the housing rehabilitation is taking place. CDBG funds play a key role in leveraging -- using government dollars to attract private dollars. This creates a pool of funds for rehabilitation loans at below market interest rates.

MDOC has also been communicating and coordinating activities with other agencies through the entire year. This assists in the identification of areas for which further communication and cooperation may be needed and helps to identify gaps in the institutional provision of services. Activities have included application workshops for CDBG funding, information dissemination regarding the Community Reinvestment Act, advice to nonprofit agencies and prospective nonprofit entities on how to become certified as a Community Housing Development Organization (CHDO) and support for other entities in their application processes for funding of various programs.

3) CONSULTATION WITH CONCERNED CITIZENS AND ORGANIZATIONS

As part of the development of the FY94 CHAS, a specific set of actions was taken to collect statewide opinions from a broader base of concerned citizens and organizations and expand upon the time citizens can provide input on the degree of Montana's housing need. The objectives were to identify how needs have changed over the last year, to develop new solutions

or policies that may be appropriate, solicit other ideas on how to improve Montana's housing situation, and to collect facility inventory data.

Public needs were reviewed in early September, during the CHAS Public Hearing on Statewide Housing Need. MDOC received comment from concerned citizens and organizations regarding the provision of affordable housing and related housing services. In particular, there were expressed interests for more rental housing, more opportunities for home ownership, and other needed financial mechanisms to buy and sell mobile homes, as existing financial institutions are reluctant to do anything for this type of structure. Too, technical assistance was noted as a critical need in sparsely populated areas of the State; it is much more unusual to afford the proper set of grant writing talents locally. As well, public comment was received regarding facilities for the homeless. Many homeless families are reluctant to be served with single homeless persons and most facilities are set up to assist individuals. Lastly, there were expressed housing service needs for the mentally ill population.

In another approach to collecting citizen input, four hundred individuals who had received the CHAS last year were mailed a survey, a 50 percent sample of the total mailing. Prospective respondents were asked to discuss housing conditions, cost, demand, supply, available inventory, and other parameters describing the stock of dwelling units in their respective areas. This provided excellent opportunities for individuals to more fully articulate problems as well as specify certain degrees of need in their own locale. These responses are summarized and included within the CHAS document (Section I.B - Needs Assessment); a copy of the instrument, cover letters and follow-up letters are included herein as Appendix A.

In a third approach, a housing opinion survey was conducted by the Community Development Bureau. In it, nearly 320 housing officials throughout the State were contacted. They were asked to discuss what factors foster,or can foster, affordable housing and what factors act as barriers to affordable housing. The survey was intended to help determine what solutions can be implemented to remove barriers to affordable housing. Another thrust of the survey was devoted to considering whether zoning and land use laws interrupt the provision of affordable housing and, if so, whether they represented barriers to affordable housing. Comments from this instrument are also included.

In addition to selecting sets of housing specialists throughout the State, several other agencies, entities, and parties were contacted and invited to provide input to the housing strategy development process. The Governor's Office on Aging was contacted regarding the housing needs of the elderly in Montana and provided the Statewide Aging Plan and "Aging in Montana," a study of the self-identified needs of older Montanans. Summaries of these are included herewith. While the relevant legislation, the Older American Act, does not specifically address housing; it does include services such as meals. Furthermore, assisting the elderly with housing is listed as an objective in the State plan and in Montana's Older Americans Act (1987).

The Developmental Disabilities Division of SRS was consulted for information regarding the housing needs of persons with developmental disabilities. They were able to provide

estimates of the number of developmentally disabled citizens in some need of supportive housing. For the physically disabled, the Montana Independent Living Center and the Rural Institute on Disabilites were contacted for their estimates.

The Preventive Health Services Bureau was also consulted. Here, the Bureau provided a status report on the Montana Childhood Lead Poisoning Prevention Program, which includes the plan for medical case management of lead poisoned children. The Department of Health's STD/AIDS division assisted in ascertaining the prevalence of AIDS in the population and the survival rate. The Department of Corrections and Human Services' Mental Health Division was consulted for an assessment of the housing needs of the mentally ill in Montana. Much of the detail available was found in the 1991-94 Statewide Mental Health Plan, provided by the Mental Health Division.

The needs of homeless people were studied over this past fiscal year by the Department of Social and Rehabilitative Services (SRS). SRS provided the results of a research project they sponsored. *The Sheltered Homeless in Montana*, May 1993, details the service and housing needs expressed by homeless people and by shelter directors.

EXHIBIT 1.1
1994 CHAS STEERING COMMITTEE

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4) ADVISORY AND POLICY FORMATION FUNCTIONS

Throughout the year, MDOC has interacted with other agencies and organizations, in keeping with both CHAS commitments and the desire to facilitate the development of refined and needed strategies. MDOC has maintained its commitment to informing others of responsibilities to the CHAS process, and in enhancing the ability of others to promote housing in their local communities. MDOC sought, and received, broad-based support for a "team" approach, and founded the CHAS Steering Committee. The Steering Committee is composed of State and local government housing officials, advocacy groups, and interested citizens. This entity, given the mandate to recommend policy and actions, was active throughout the CHAS development process. Exhibit 1, below, presents the members of the FY94 CHAS Steering Committee.

In particular, MDOC continues to be instrumental in advising existing and potential nonprofit entities on ways to form Community Housing Development Organizations that can be subsequently certified by MDOC. Only local units of government (i.e., cities, towns, and counties) and CHDO's are eligible to apply for HOME grant funds and an MDOC-certified organization can apply for HUD CHDO set-aside funds under the HOME Program. During the past Fiscal Year MDOC certified eleven nonprofit organizations as CHDOs. These organizations are:

Action for Eastern Montana, Glendive
District VI Human Resources Development Council, Lewistown
District VII Human Resources Development Council, Billings
District IX Human Resources Development Council, Bozeman
District XI Human Resources Development Council, Missoula
District XII Human Resources Development Council, Butte
Montana People's Action, Billings
Montana People's Action, Missoula
Neighborhood Housing Services, Inc. Great Falls
Northwest Montana Human Resources, Inc., Kalispell
Opportunities, Inc., Great Falls

5) HEIGHTENED PUBLIC AWARENESS OF THE CITIZEN INVOLVEMENT PROCESS

Two significant actions were taken to promote awareness of the planning portions of the CHAS development process. One was to implement a survey of randomly selected Montana citizens; the second was to schedule public review meetings throughout the State in the evenings, so that additional citizens, whose primary responsibility may not relate to the promotion of housing or residential development, may attend and provide comment to the policy planning process.

For the former, close to four thousand individuals were selected at random from Montana Motor Vehicles Division vehicle registration records and sent a similar, but less detailed, survey

instrument than that submitted to the FY93 CHAS distribution list.[3] This latter data provides unfettered perspective on the degree of need for affordable housing, housing preference, and preferred program solutions. Additional data was asked about the individual's household and dwelling to ascertain attribute data. This large data set will provide a wealth of information as it becomes more widely tapped. It will also provide additional insight into the condition of housing and represents an excellent data base of the States housing conditions. Further analysis of this data is anticipated in future CHAS development processes.

In addition to these efforts, MDOC advertized the four statewide CHAS meetings during the months of October and November, noting the dates and times of these meetings. The public review period extended from October 29, 1993, exceeding the minimum of 30 days, extending through December 3, 1993.

[3] DMV records provided the best and most complete data source for householder name and address throughout the state. It also provided a complete and uniform data set from which to solicit responses.

SECTION I -- STATE PROFILE

Montana is the fourth largest State in land area. The population density of areas around Montana underscore the diversity of needs and housing conditions, ranging from a high of 3,470 people per square-mile in Great Falls, to a low of 0.31 people in Petroleum County, as reported in the 1990 Census. With just less than 800,000 people, the State has only two entitlement areas:[4] Billings and Great Falls. While the entitlement areas are required under the National Affordable Housing Act of 1990 to submit separate CHAS documents, the areas and characteristics of Billings and Great Falls have been integrated into portions of this CHAS document.

A. MARKET AND INVENTORY CONDITIONS

1. DESCRIPTION OF THE STATE

The following discussion of the State's market and inventory conditions seeks to establish the adequacy of decent and affordable housing in Montana. Beyond the descriptive value of the information, the analysis initiates the identification of the State's housing needs, primarily as they existed in 1990. The baseline analysis takes into account the differences of housing issues among geographic areas of the State by evaluating six cities, 11 Census Designated Places (CDPs), and all remaining areas for each of the 56 counties.[5] That discussion is further augmented with more current survey data analysis, include a survey conducted by the University of Montana which relates to a count of sheltered homeless persons in the State.

i. BACKGROUND AND TRENDS

MONTANA'S ECONOMIC STRUCTURE

The health of an economy is determined, in a large part, by the ability of one or more economic sectors to capture income from outside the area. The key notion is that income must flow from outside to inside the State. Those activities that can bring income into Montana are considered basic industry, as income is received from the export of a product. Workers in these exporting industries spend their earnings locally, thereby generating additional, indirect, economic activity. This indirect activity is termed nonbasic industry. The more times that income is spent within the State, and spent again, the more the State's economy becomes integrated.

People often define economic base only in terms of jobs, as an employment classification system that includes manufacturing, mining, agriculture, some forms of construction, and federal government employment.[6] But the use of employment as the central feature in defining the

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[4] Metropolitan areas with populations of 50,000 or more.

[5] Butte is aggregated with Silver Bow County, and presented in the county data sections of the tables.

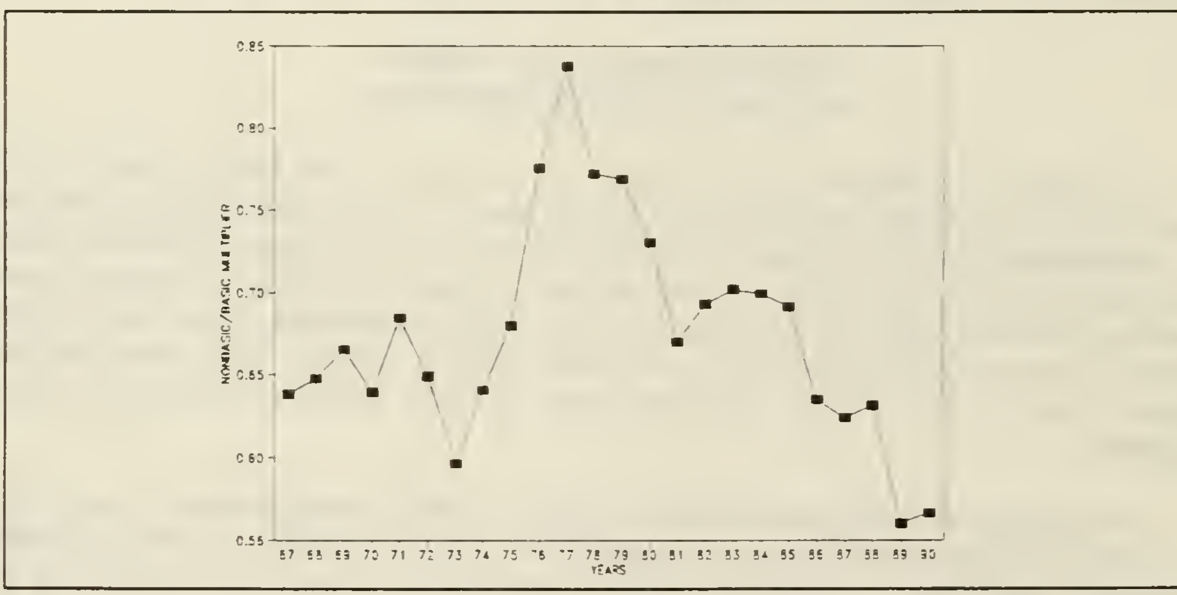
[6] The basic sector can also include other "non-traditional" sectors that bring income into an area. A good example is tourism. For the analysis presented here, a portion of the eating and drinking industries, and all of the lodging sector, are considered as basic employment.

economic base overlooks one very important thing: some "basic" components of the economy do not necessarily involve employment.

For example, if many retirees living off their retirement investments reside in the area, income still flows from outside and into the area. While the retiree is not employed, serving the demands of the retired population creates jobs and additional local income. Also, income distributed to those who may be supported by forms of welfare, or "transfer payments," can be considered basic because income also flows from outside to inside the area. This in turn causes demand for goods and services and results in nonbasic employment. It is income that drives economic activity.

A healthy economy is constructed upon two main building blocks, earned income from exporting industries, and "unearned income" from dividends, interest, rents, and government transfer payments. But to translate the total basic income flow into a nonbasic flow, one must measure the relationship between these two concepts. This ratio is called a multiplier. A unit rise or fall in basic income will tend to have a proportional impact on nonbasic income. The higher paying the basic sector job (or per capita unearned income source), the greater the nonbasic impact.

DIAGRAM 1.1
NONBASIC/BASIC MULTIPLIER



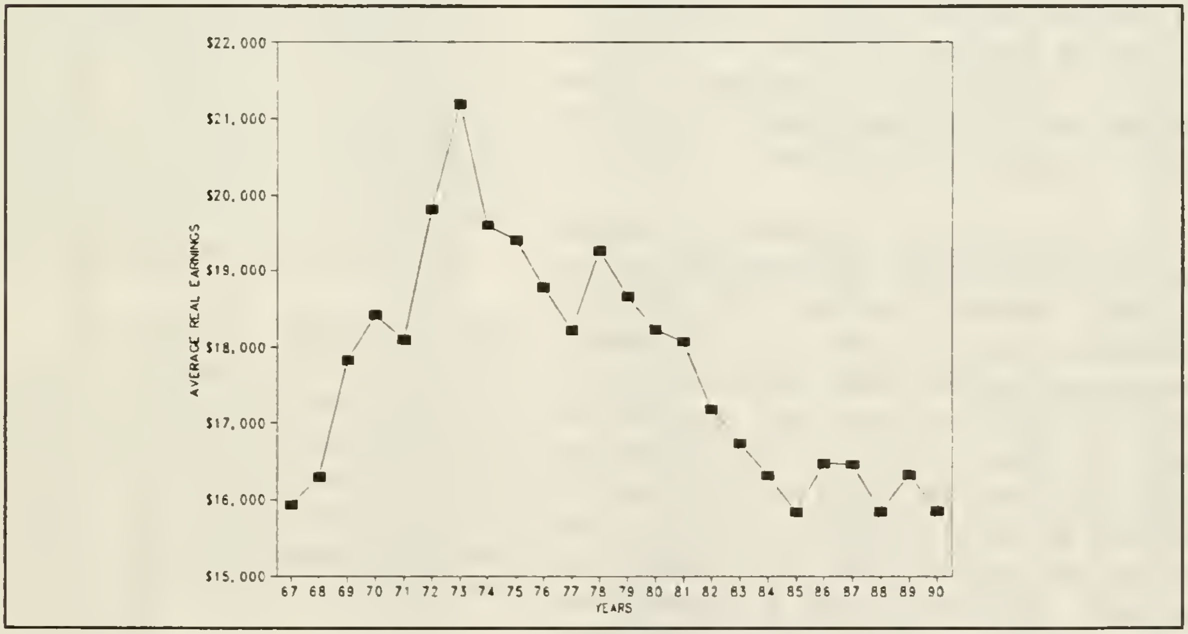
As the State's economy becomes more highly advanced and integrated, income leaks out of the area more slowly: products and services previously imported will begin to be supplied locally. More people will enjoy the benefits of the basic income. When an economy is in decline, the reverse will occur: as basic sector income leaves the community, nonbasic income will be lost at an increasing rate. The multiplier is not a fixed relationship, it rises as the number of economic transactions rise, and falls as transactions decrease. Furthermore, as an

area declines and higher paying jobs are lost, unearned income sources will not be sufficient to maintain previous standards of living. Diagram 1.1, above, presents the nonbasic/basic multiplier for the State of Montana.[7] As can be seen, since the 1977 peak, Montana's economy has become less dynamic.

The economic base analysis stresses the importance of openness, what happens elsewhere is critically important. If Montana's economic base is diversified, it is relatively protected from wide fluctuations in demand for any one of its export goods or services. However, if it is overly dependent upon a single basic sector, it is at the mercy of fluctuations in demand for that sector's good or service.

Inherent with the notion of economic base is the assertion that people follow jobs. If the earned income component of the basic sector is shrinking, then those who cannot retire eventually seek employment elsewhere. A new level of population implies a different picture for the flows of total unearned income into the State. So, the impacts on population, derived from basic earned income, will ultimately have an impact on the basic *un*earned income flows, further altering the economic system.

DIAGRAM 1.2
AVERAGE EARNINGS IN MONTANA
1987 DOLLARS



[7] This multiplier was derived by assuming that income derived from agriculture, mining, manufacturing, and all federal employment is considered basic. This multiplier, while also including 50 percent of all service and retail trade, is not scientifically precise. It is presented here as illustrative of the changing economic structure of the state.

Montana's basic economy has historically been dependent upon a few resource-based industries. These are agriculture, mining, and manufacturing processes such as lumber and wood products, and the milling of minerals. Even though tourism is considered a solid basic sector with employment benefits, the rate of pay in this industry has typically been quite low.

The status of the State's economy, then, is dependent upon the health and viability of resource-based industries. Unfortunately, these industries are suffering from stagnant conditions or are declining. As Diagram 1.2, above, demonstrates, the average rate of pay in all of Montana's industries has been declining steadily since the early 1970s.

In addition, forest management practices are under review, and anticipated harvests from federal timber lands are expected to decline. University of Montana studies have forecast declines as large as 50 percent in northwestern Montana's lumber and wood products employment over the next ten years. Employment and earnings derived from agriculture remain speculative, at best. The mining industries are moving much further toward mechanization; and older existing facilities are closing in the face of increasing environmental constraints. These conditions imply an increasing degree of economic hardship for many Montana citizens.

On top of this complication, statewide unemployment rates have been rising over the last few years. Between 1990 and 1991, Montana's unemployment rate rose from 5.8 to 6.9 percent. Unemployment pressures have eased some, to 6.7 percent in 1992, but increasing unemployment worries still persist. Table 1.1, at right, presents the unemployment rates by county and the State as a whole over the last three years. There are several areas that are sustaining very high unemployment rates, while others are reporting much lower rates. For example, Big Horn County indicates the highest unemployment rate, 15.8 percent and Carter County the lowest, with 2.4 percent. Uneven economic opportunities exist within the State.

TABLE 1.1
ECONOMIC BACKGROUND
ANNUAL AVG. UNEMPLOYMENT RATES

AREA NAME	1990	1991	1992
Beaverhead County	4.3	5.8	5.8
Big Horn County	12.9	12.3	15.8
Blaine County	8.2	8.7	8.1
Broadwater County	6.0	6.0	7.3
Carbon County	4.3	6.5	5.4
Carter County	2.8	3.3	2.4
Cascade County	5.0	5.8	6.1
Chouteau County	3.2	4.1	3.4
Custer County	4.2	4.9	4.8
Daniels County	3.4	3.1	2.8
Dawson County	4.0	4.4	4.2
Deer Lodge County	8.1	9.4	9.0
Fallon County	3.1	4.8	4.9
Fergus County	6.2	8.8	7.4
Flathead County	7.5	9.3	8.7
Gallatin County	3.3	3.9	3.9
Garfield County	2.8	2.4	3.3
Glacier County	11.9	11.8	14.8
Golden Valley County	4.0	13.9	13.0
Granite County	7.7	7.9	7.8
Hill County	6.0	7.5	7.3
Jefferson County	3.8	5.0	4.3
Judith Basin County	4.1	4.9	6.0
Lake County	8.1	9.2	9.5
Lewis and Clark County	4.5	5.8	5.4
Liberty County	2.7	2.8	4.2
Lincoln County	11.5	15.3	13.3
Madison County	4.0	4.4	4.5
McCone County	3.7	5.1	5.5
Meagher County	3.6	5.4	8.3
Mineral County	10.1	12.3	12.3
Missoula County	4.9	8.5	5.8
Musselshell County	7.9	9.8	9.3
Park County	7.5	9.3	8.4
Petroleum County	3.8	7.4	9.1
Phillips County	4.4	4.8	5.7
Pondera County	4.5	5.1	8.3
Powder River County	2.2	4.1	3.9
Powell County	5.2	7.5	8.8
Prairie County	4.9	4.3	5.9
Ravalli County	8.3	10.4	9.5
Richland County	6.1	8.0	8.3
Roosevelt County	9.8	10.9	11.4
Rosebud County	7.0	7.6	8.2
Sanders County	12.7	17.5	15.5
Sheridan County	3.0	2.9	3.0
Silver Bow County	7.4	9.0	8.9
Stillwater County	3.5	7.9	8.1
Sweet Grass County	3.0	5.0	3.9
Teton County	3.6	4.7	3.8
Toole County	3.9	5.8	5.4
Treasure County	2.7	3.8	6.3
Valley County	4.7	6.0	8.2
Wheatland County	5.3	7.2	8.5
Wibaux County	4.3	8.9	8.8
Yellowstone County	4.8	5.3	5.4
Montana	5.8	6.9	6.7

Collectively, these employment and income conditions underscore the difficulty working citizens of the State are encountering, as statewide average earnings have been declining for nearly 20 years. The economic limitations are anticipated to persist and the outlook appears to be somewhat dim.

MONTANA'S POPULATION

RACE

Montana is generally a racially homogeneous State, with 93 percent of the population white. Native Americans make up about 6 percent of the population, with Blacks comprising ¼ percent and Asian/Pacific Islanders and Other Races each comprising about ½ percent. Table 1.2, at right, presents the 1990 Census count of population by race and by relevant area designation. Note that this data, as all similar area designations in the FY94 CHAS, has been modified so that all "county" areas are comprised of the non-city and non-CDP areas; the latter areas have been subtracted from the county total data.

As seen in Table 1.2, Native Americans comprise the second largest segment of the population, but the majority tend reside on Montana's seven Indian reservations. These include the Blackfeet, the Rocky Boy, the Fort Belknap, the Fort Peck, the Northern Cheyenne, the Crow, and the Flathead reservations.

Areas having tribal organizations can have very high Native American concentrations. For example, Glacier County has the largest number of American Indians; with 56 percent of the county's population.

TABLE 1.2

MARKET AND INVENTORY CONDITIONS

1990 CENSUS - RACE DATA

(INCLUDES HISPANIC PERSONS)

AREA NAME	WHITE	BLACK	ASIAN	INDIAN	OTHER	TOTAL
Billings city	78945	317	318	2591	980	81151
Bozeman city	21671	74	465	343	107	22860
Great Falls city	51197	464	504	2631	301	55097
Helena city	23377	33	215	658	63	24348
Kalispell city	11582	17	85	211	22	11917
Missoula city	41010	133	619	1011	145	42918
Bonner-West Riverside CDP	1821	0	0	33	0	1854
Evergreen CDP	3977	0	10	115	7	4109
Helena Valley Northeast CDP	1705	7	0	49	14	1775
Helena Valley Northwest CDP	1179	0	7	0	45	1231
Helena Valley Southeast CDP	4411	0	14	106	70	4601
Helena Valley West Central CDP	8228	0	58	43	0	8327
Helena West Side CDP	1842	0	0	26	12	1880
Lockwood CDP	3697	20	23	149	78	3967
Lolo CDP	2713	8	0	25	0	2748
Malmstrom AFB CDP	4899	500	257	81	91	5838
Orchard Homes CDP	9935	13	153	188	30	10317
Sun Prairie CDP	1330	0	0	26	0	1358
Beaverhead County	8281	18	27	73	27	8424
Big Horn County	4939	16	19	6310	53	11337
Blaine County	4040	2	5	2663	18	6728
Broadwater County	3271	0	10	28	9	3318
Carbon County	8001	5	2	49	23	8080
Carter County	1490	0	0	8	5	1503
Cascade County	14783	42	54	392	48	15300
Chouteau County	5218	0	24	207	5	5462
Custer County	11421	18	4	128	127	11687
Daniels County	2281	0	2	3	0	2286
Dawson County	9382	0	18	88	8	8505
Deer Lodge County	9929	21	32	251	45	10278
Fallon County	3080	0	3	14	8	3103
Fergus County	11907	5	18	142	11	12083
Flathead County	42253	39	189	529	182	43192
Gallatin County	27349	8	166	254	28	27803
Garfield County	1581	0	4	4	0	1588
Glacier County	5270	8	27	6807	11	12121
Golden Valley County	898	0	5	3	5	912
Granite County	2522	0	8	18	0	2548
Hill County	14774	0	38	2728	118	17654
Jefferson County	7744	2	14	155	24	7939
Judith Basin County	2269	0	5	6	2	2282
Lake County	16468	8	21	4474	72	21041
Lewis and Clark County	7172	9	37	113	4	7335
Liberty County	2278	4	0	15	0	2295
Lincoln County	17021	3	64	343	50	17481
Madison County	5933	0	7	46	3	5989
McCone County	2247	2	0	27	0	2276
Meagher County	1789	0	2	20	8	1819
Mineral County	3222	4	21	68	0	3315
Missoula County	20428	21	22	544	37	21052
Musselshell County	4058	0	14	21	15	4106
Park County	14279	88	51	79	118	14614
Petroleum County	513	0	0	6	0	519
Phillips County	4788	3	8	368	16	5163
Pondera County	5681	19	29	704	0	6433
Powder River County	2040	0	2	38	10	2090
Powell County	8238	0	14	288	82	8620
Prairie County	1365	0	2	10	6	1383
Ravalli County	24583	18	65	311	53	25010
Richland County	10490	7	10	137	72	10716
Roosevelt County	5604	13	26	5342	14	10999
Rosebud County	7579	12	37	2818	58	10505
Sanders County	8098	6	27	513	26	8669
Sheridan County	4659	0	7	58	8	4732
Silver Bow County	33087	11	191	366	286	33941
Stillwater County	6352	11	23	125	25	6538
Sweet Grass County	3128	0	5	21	0	3154
Teton County	6175	0	13	83	0	6271
Toole County	4960	7	8	73	0	5048
Treasure County	856	0	0	8	10	874
Valley County	7438	0	23	770	8	8239
Wheatland County	2200	0	6	27	13	2246
Wibaux County	1183	0	3	5	0	1191
Yellowstone County	27433	43	122	571	132	28301
Montana	741340	2047	4256	47574	3848	799065

Table 1.3 presents all the State's minority populations ranked by percent concentration. Areas of high racial minority concentration are defined as those exceeding about 12 percent, twice the State's average percent of the largest minority population, Native Americans.

With this definition, Glacier, Big Horn, Roosevelt, Blain, Rosebud, Lake, and Hill counties have the highest concentrations of Native Americans in the State. All are areas with tribal lands. However, Indian reservations are not an explicit part of the State's CHAS process at this time.

As an interesting anecdote, the Malmstrom AFB CDP area has the State's highest concentrations of other minority populations, where 8.4 percent are black and another 4.3 percent are Asian or Pacific Islander. This is due to the military installation there. No other area in the State has a black racial concentration above 1 percent. Bozeman has the next highest racial minority concentration: Asian or Pacific Islanders at 2.05 percent.

TABLE 1.3

AREAS OF MINORITY RACIAL CONCENTRATION
1990 CENSUS -- PERCENT OF POPULATION

AREA NAME	WHITE	BLACK	ASIAN	NATIVE AMERICAN	OTHER
Glacier County	43.48%	0.05%	0.22%	58.16%	0.09%
Big Horn County	43.57%	0.14%	0.17%	55.66%	0.47%
Roosevelt County	50.95%	0.12%	0.24%	48.57%	0.13%
Blaine County	80.05%	0.03%	0.07%	19.58%	0.27%
Rosebud County	72.15%	0.11%	0.35%	26.83%	0.55%
Lake County	78.27%	0.03%	0.10%	21.26%	0.34%
Hill County	83.89%	0.00%	0.20%	15.44%	0.87%
Pondera County	88.31%	0.30%	0.45%	10.04%	0.00%
Valley County	90.28%	0.00%	0.28%	9.35%	0.10%
Phillips County	92.35%	0.06%	0.15%	7.13%	0.31%
Sanders County	93.41%	0.07%	0.31%	5.92%	0.29%
Great Falls city	92.92%	0.84%	0.91%	4.78%	0.55%
Powell County	94.23%	0.00%	0.21%	4.32%	1.24%
Chouteau County	95.87%	0.00%	0.44%	3.80%	0.09%
Lockwood CDP	93.19%	0.50%	0.58%	3.78%	1.87%
Billings city	94.82%	0.39%	0.39%	3.19%	1.21%
Evergreen CDP	96.79%	0.00%	0.24%	2.80%	0.17%
Helena Valley Northeast CDP	98.08%	0.39%	0.00%	2.78%	0.79%
Helena city	98.02%	0.14%	0.88%	2.70%	0.28%
Missoula County	97.04%	0.10%	0.10%	2.58%	0.18%
Cascade County	98.49%	0.27%	0.35%	2.58%	0.32%
Deer Lodge County	98.80%	0.20%	0.31%	2.44%	0.44%
Missoula city	95.55%	0.31%	1.44%	2.38%	0.34%
Helena Valley Southeast CDP	95.87%	0.00%	0.30%	2.30%	1.52%
Mineral County	97.19%	0.12%	0.83%	2.05%	0.00%
Yellowstone County	98.93%	0.15%	0.43%	2.02%	0.47%
Bonner-West Riverside CDP	98.00%	0.00%	0.00%	2.00%	0.00%
Lincoln County	97.37%	0.02%	0.37%	1.88%	0.29%
Jefferson County	97.54%	0.03%	0.18%	1.95%	0.30%
Sun Prairie CDP	98.08%	0.00%	0.00%	1.92%	0.00%
Stillwater County	97.18%	0.17%	0.35%	1.91%	0.38%
Powder River County	97.81%	0.00%	0.10%	1.82%	0.48%
Orchard Homes CDP	98.30%	0.13%	1.48%	1.80%	0.29%
Kalispell city	97.19%	0.14%	0.71%	1.77%	0.18%
Lewis and Clark County	97.78%	0.12%	0.50%	1.54%	0.05%
Malmstrom AFB CDP	84.19%	8.42%	4.33%	1.53%	1.53%
Bozeman city	95.64%	0.33%	2.05%	1.51%	0.47%
Montana	92.78%	0.28%	0.53%	5.95%	0.48%

ETHNICITY

Hispanic ethnicity concentrations are quite low in Montana. The 1990 Census indicates that the State has an average Hispanic concentration of a mere 1.5 percent. HUD guidelines call for identification of areas of ethnic concentration; using an accepted definition for ethnic concentrations (twice the State's average ethnicity, or 12 percent), one sees that few areas qualify. Table 1.4, at right, presents this data. Only two areas have relative concentrations of Hispanic people, Malmstrom AFB and Lockwood CDP.

TABLE 1.4

HISPANIC CONCENTRATION
1990 CENSUS -- PERCENT

AREA NAME	PERCENT
Malmstrom AFB CDP	5.05%
Lockwood CDP	4.28%
Billings city	2.92%
Helena West Side CDP	2.55%
Helena Valley Northwest CDP	2.52%
Big Horn County	2.32%
Rosebud County	2.29%
Silver Bow County	2.23%
Evergreen CDP	2.21%
Treasure County	2.17%
Richland County	2.03%
Montana	1.52%

INCOME

Within Montana, per capita income varies widely, as evidenced by Big Horn County's low of $7,148 and Helena's high of $13,256. The statewide average is only $11,213. This implies that significant variation may occur among households within the State. A more accurate way of inspecting the relative income between areas is to rank the percent of total household incomes below a particular threshold. This is better than comparing just per capita income as it accounts for households with additional wage earners. Data representing the percent of low income households in each area were computed and ranked. Low income concentrations are those areas having a large percentage of households below the statewide low income threshold, 80 percent of the State median family income, or $22,435. Census income data is reported by category; $22,500 is used to approximate the low income threshold. Table 1.5 presents all areas defined in this way and ranked by percent. Those that fall within the low income criteria are listed above the dotted line, starting at Park County. In general, there appear to be very large blocks of the population in low-income households. In fact, Wheatland County has the highest percentage of households in the low income category, with over 65 percent of the households. Only one area has less than 25 percent of its households in the low income category, Helena Valley Northeast CDP. Given these facts, large sections of Montana can be considered low-income areas.

TABLE 1.5
LOW INCOME CONCENTRATION

AREA NAME	LOW Y HH	% LOW Y
Wheatland County	585	65.93%
Prairie County	367	64.96%
Musselshell County	1,083	64.93%
Carter County	381	64.91%
Garfield County	371	63.88%
Sanders County	2,128	62.13%
Blaine County	1,484	61.38%
Evergreen CDP	932	60.60%
Golden Valley County	192	60.18%
Meagher County	420	58.98%
Treasure County	202	58.72%
Big Horn County	1,988	58.50%
Roosevelt County	2,143	58.34%
Granite County	614	58.31%
Glacier County	2,203	58.19%
Bonner West Riverside CDP	377	57.86%
Carbon County	1,892	57.18%
Bozeman city	4,959	56.84%
Petroleum County	120	56.80%
Lake County	4,431	56.15%
Wibaux County	283	55.98%
Sheridan County	1,059	55.91%
Kalispell city	2,827	55.71%
McCone County	475	55.58%
Deer Lodge County	2,255	55.43%
Sweet Grass County	703	55.01%
Broadwater County	720	55.00%
Mineral County	713	54.39%
Lincoln County	3,681	54.36%
Ravalli County	5,169	53.80%
Beaverhead County	1,697	53.60%
Daniels County	493	53.47%
Fergus County	2,470	53.30%
Missoula city	9,419	53.02%
Custer County	2,435	52.85%
Powell County	1,177	52.43%
Silver Bow County	7,230	52.30%
Valley County	1,689	51.83%
Teton County	1,199	51.04%
Malmstrom AFB CDP	733	50.87%
Madison County	1,200	50.70%
Phillips County	882	50.54%
Powder River County	407	50.43%
Chouteau County	1,056	50.38%
Judith Basin County	457	49.84%
Orchard Homes CDP	2,094	49.63%
Park County	2,783	49.44%
....	....	....
Great Falls city	11,034	48.72%
Stillwater County	1,254	48.62%
Pondera County	1,047	48.56%
Fallon County	587	48.46%
Dawson County	1,790	48.13%
Richland County	1,814	47.74%
Lewis and Clark County	1,327	46.81%
Helena West Side CDP	351	45.62%
Liberty County	361	45.07%
Toole County	853	44.76%
Billings city	14,790	44.44%
Hill County	2,803	43.72%
Helena city	4,537	43.54%
Flathead County	8,884	42.65%
Helena Valley Southeast CDP	852	41.71%
Gallatin County	4,313	41.54%
Cascade County	2,353	41.44%
Yellowstone County	4,232	41.41%
Rosebud County	1,431	41.17%
Lockwood CDP	557	40.54%
Lolo CDP	354	38.27%
Missoula County	2,777	37.25%
Jefferson County	1,022	36.07%
Helena Valley West Central CDP	758	33.81%
Helena Valley Northwest CDP	107	28.23%
Sun Prairie CDP	121	27.50%
Helena Valley Northeast CDP	92	17.13%
Montana	150,582	49.06%

Table 1.6, below, presents the actual number of households within each income category throughout the State. Overall, Montana has 49 percent of its households making less than 80 percent of the median family income in 1989. Furthermore, a whopping

75 percent of Montana's households make less than the US average median family income of about $36,000.

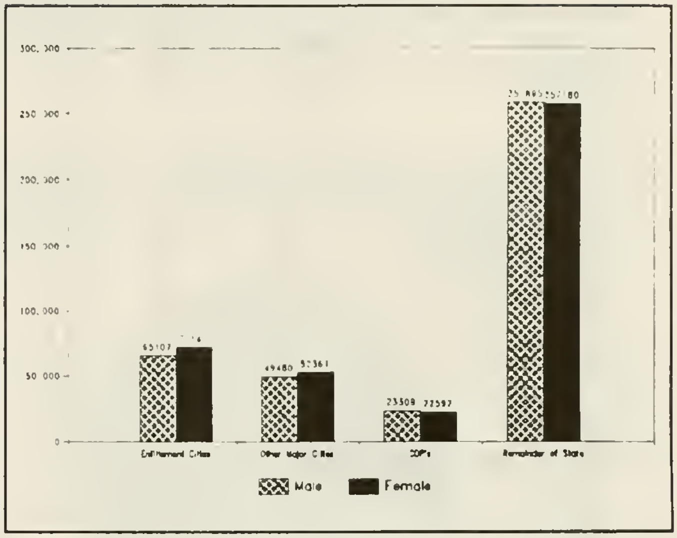
TABLE 1.6
NUMBER OF HOUSEHOLDS BY INCOME CATEGORY

AREA NAME	VERY-LOW LESS THAN 12,500	LOW 12,500-22,499	MEDIUM 22,500-27,499	UPPER-MIDDLE 27,500-34,999	HIGH 35,000-49,999	VERY HIGH 50,000-99,999	EXTREMELY HIGH 100,000 OR MORE	HOUSE-HOLDS	PER CAPITA INCOME 1989
Billings city	8,048	6,742	3,182	5,473	4,455	4,620	784	33,284	12,834
Bozeman city	2,929	2,030	841	1,183	772	645	124	8,724	10,172
Great Falls city	5,928	5,108	2,307	3,379	2,789	2,618	522	22,647	12,603
Helena city	2,481	2,056	1,121	1,621	1,359	1,644	130	10,421	13,258
Kalispell city	1,711	1,216	448	742	560	548	30	5,254	11,228
Missoula city	5,411	4,008	1,523	2,388	2,071	2,047	339	17,765	11,759
Bonner West Riverside CDP	238	138	54	185	43	15	0	654	7,943
Evergreen CDP	471	461	170	237	97	102	0	1,538	8,223
Helena Valley Northeast CDP	28	64	128	117	104	81	15	537	10,846
Helena Valley Northwest CDP	54	53	40	59	81	84	6	379	10,875
Helena Valley Southeast CDP	275	382	187	287	227	231	8	1,575	10,331
Helena Valley West Central CDP	304	454	198	424	478	352	25	2,235	11,923
Helena West Side CDP	175	178	83	187	88	81	16	788	11,835
Lockwood CDP	338	221	184	307	159	159	8	1,374	9,898
Lolo CDP	133	221	85	171	155	160	0	925	10,449
Malmstrom AFB CDP	137	598	329	198	125	58	0	1,441	7,835
Orchard Homes CDP	1,093	1,001	403	553	546	568	55	4,219	11,597
Sun Prairie CDP	44	77	81	108	78	43	11	440	10,882
Beaverhead County	983	714	305	435	420	283	28	3,168	10,378
Big Horn County	1,214	772	284	453	297	351	24	3,395	7,148
Blaine County	839	825	224	291	223	158	25	2,385	8,280
Broadwater County	338	384	118	219	127	108	17	1,309	10,125
Carbon County	1,057	835	298	402	352	317	48	3,309	10,727
Carter County	235	148	42	54	52	38	20	587	10,870
Cascade County	1,192	1,181	731	1,021	772	844	157	5,878	11,696
Chouteau County	528	527	207	328	199	258	52	2,098	11,290
Custer County	1,382	1,073	444	745	528	408	39	4,599	10,310
Daniels County	247	248	115	154	109	41	10	922	9,983
Dawson County	957	833	388	824	515	390	34	3,719	10,829
Deer Lodge County	1,242	1,013	419	658	511	202	22	4,088	9,444
Fallon County	249	318	122	284	123	78	18	1,170	10,308
Fergus County	1,249	1,221	427	798	498	333	110	4,834	10,995
Flathead County	3,828	3,258	1,658	2,738	2,295	2,159	332	16,084	12,186
Gallatin County	1,838	2,377	997	1,950	1,363	1,489	291	10,383	13,847
Garfield County	189	172	39	84	81	28	20	581	9,843
Glacier County	1,388	837	274	589	373	341	8	3,788	7,458
Golden Valley County	100	92	28	52	32	13	2	319	8,505
Granite County	338	278	100	154	107	52	28	1,053	10,049
Hill County	1,808	1,197	879	1,088	827	921	115	6,411	11,121
Jefferson County	538	484	202	485	491	534	99	2,833	13,233
Judith Basin County	218	239	101	159	90	81	29	917	12,060
Lake County	2,597	1,834	753	1,237	745	825	100	7,891	9,274
Lewis and Clark County	884	843	273	412	421	375	27	2,835	11,853
Liberty County	181	160	81	144	95	81	19	801	10,544
Lincoln County	2,052	1,809	873	1,015	809	503	74	6,735	9,813
Madison County	703	497	259	378	222	294	14	2,387	10,718
McCone County	255	220	112	118	74	70	8	855	9,347
Meagher County	224	186	83	118	88	42	3	712	9,201
Mineral County	381	332	164	214	120	93	7	1,311	9,440
Missoula County	1,308	1,471	828	1,438	1,089	1,283	242	7,455	13,001
Musselshell County	843	440	125	210	125	108	19	1,688	8,941
Park County	1,533	1,250	731	930	803	488	98	5,829	11,368
Petroleum County	83	57	25	34	11	18	4	212	9,878
Phillips County	529	453	227	315	203	175	41	1,943	10,783
Pondera County	527	520	208	358	272	242	29	2,158	9,811
Powder River County	207	200	75	129	84	82	30	807	12,722
Powell County	817	560	274	378	227	188	21	2,245	9,978
Prairie County	205	182	52	78	39	24	5	585	8,487
Ravalli County	2,738	2,431	923	1,507	1,075	814	120	9,608	10,130
Richland County	1,040	874	484	730	458	373	52	4,009	10,091
Roosevelt County	1,243	900	305	598	349	254	28	3,873	7,751
Rosebud County	758	873	335	431	888	590	21	3,478	10,415
Sanders County	1,050	1,078	358	542	201	158	42	3,425	9,459
Sheridan County	543	516	158	328	201	139	11	1,894	10,001
Silver Bow County	4,231	2,999	1,201	1,957	1,418	1,784	227	13,825	11,364
Stillwater County	618	638	198	465	351	277	34	2,579	10,975
Sweet Grass County	381	342	138	178	147	91	23	1,278	10,838
Teton County	881	518	229	351	258	278	38	2,349	10,772
Toole County	489	384	177	354	247	251	23	1,905	11,375
Treasure County	111	91	41	42	23	22	14	344	10,244
Valley County	980	709	312	470	454	304	30	3,259	10,529
Wheatland County	319	248	60	118	79	29	8	857	8,858
Wibaux County	138	125	45	84	50	27	1	470	9,338
Yellowstone County	1,783	2,449	945	1,812	1,545	1,489	215	10,219	11,571
Montana	81,201	89,381	30,138	48,718	37,255	35,001	5,225	306,819	11,213

GENDER

Montana is approximately a gender-balanced State, with about 49.5 percent of population male, and 50.5 percent female. The major cities tend to have slightly more females than males, and the rural areas tend to have more males. Diagram 1.3, at right, portrays the area distinctions.

DIAGRAM 1.3
SEX BY GEOGRAPHIC AREA



AGE

The largest segment of the population is the very young, from 0 to 18 years of age. This group comprises 29.3 percent of the total. However, the population of Montana is somewhat older than the nation as a whole; the 1990 median age in Montana is 33.8 while the nation's is 32.9. The elderly (60 years of age and older) also have a significant representation in the age distribution of Montana with 17.6 percent. Diagram 1.4, below, presents the statewide age breakdowns. Table 1.7, below, presents the area age cohorts.

DIAGRAM 1.4
STATE AGE DISTRIBUTION

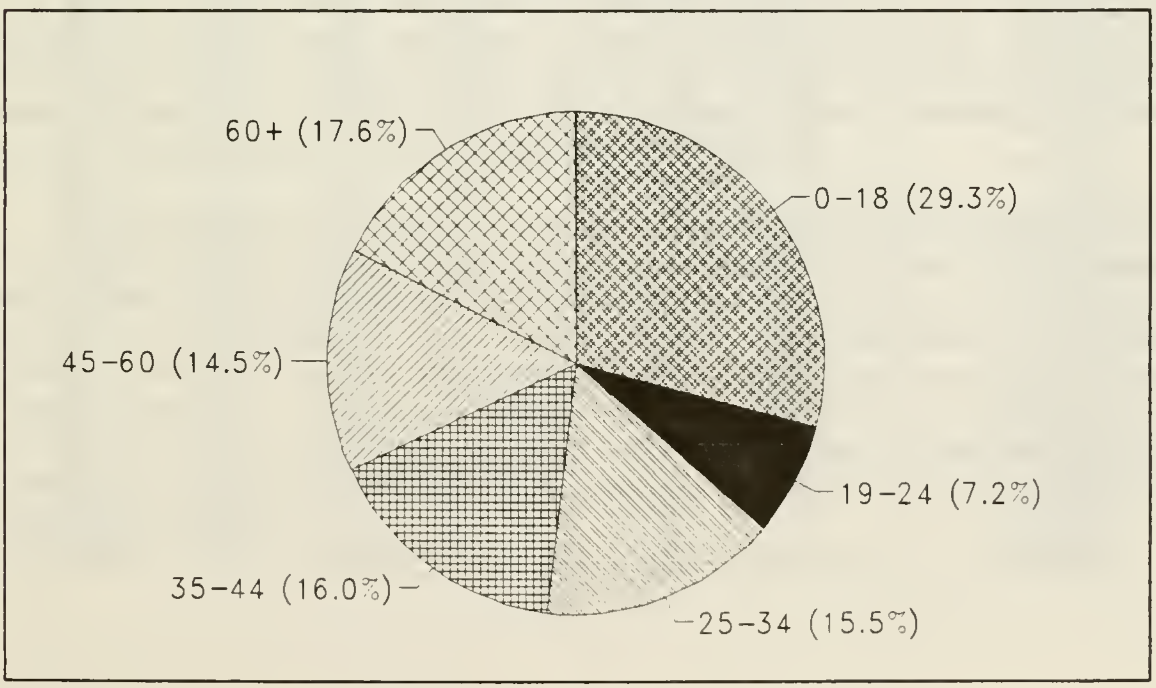


TABLE 1.7
MARKET AND INVENTORY CONDITIONS
AGE COHORTS

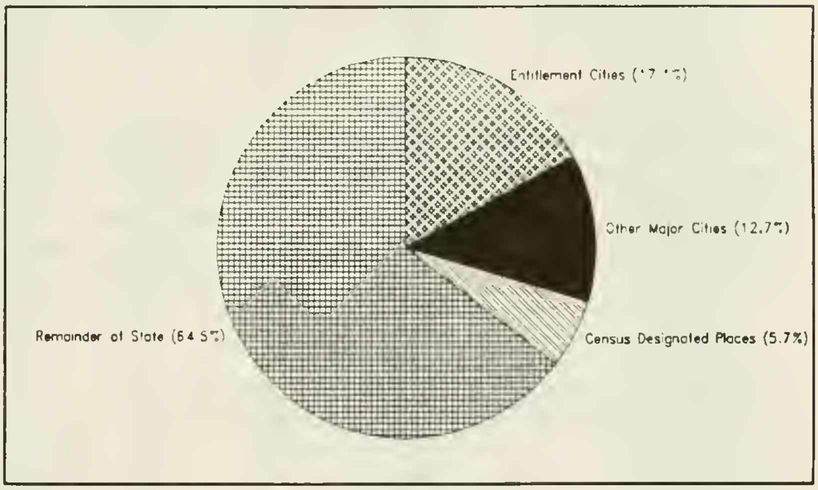
AREA NAME	PERSONS 18 AND UNDER	PERSONS 19-24	PERSONS 25-34	PERSONS 35-44	PERSONS 45-59	PERSONS 60 AND OLDER	TOTAL PERSONS
Billings city	22,033	6,486	14,096	12,433	11,687	14,416	81,151
Bozeman city	4,714	6,286	4,102	2,983	2,155	2,418	22,680
Great Falls city	15,144	3,935	9,088	8,078	8,399	10,475	55,097
Helena city	6,428	2,006	1,780	4,191	3,603	4,338	24,346
Kalispell city	3,037	817	1,784	1,871	1,548	2,860	11,917
Missoula city	10,374	6,548	7,615	8,872	4,831	6,658	42,918
Bonner West Riverside CDP	514	180	291	302	211	176	1,654
Evergreen CDP	1,347	272	717	664	564	545	4,109
Helena Valley Northeast CDP	724	84	258	305	228	178	1,775
Helena Valley Northwest CDP	487	21	199	290	181	53	1,231
Helena Valley Southeast CDP	1,712	285	905	781	584	334	4,601
Helena Valley West Central CDP	2,085	345	982	1,168	1,020	717	6,327
Helena West Side CDP	424	55	323	317	325	438	1,880
Lockwood CDP	1,384	223	718	733	485	413	3,887
Lolo CDP	1,009	128	491	588	303	227	2,748
Malmstrom AFB CDP	2,188	1,313	1,844	549	19	25	5,938
Orchard Homes CDP	2,836	934	1,618	1,819	1,446	1,484	10,317
Sun Prairie CDP	522	79	222	237	230	66	1,356
Beaverhead County	2,511	782	1,253	1,208	1,306	1,366	8,424
Big Horn County	4,318	836	1,754	1,828	1,514	1,287	11,337
Blaine County	2,349	409	945	928	923	1,174	6,728
Broadwater County	1,012	122	453	517	527	687	3,318
Carbon County	2,257	214	1,000	1,301	1,188	2,120	8,080
Carter County	400	71	210	194	274	354	1,503
Cascade County	4,564	748	2,261	2,523	2,712	2,487	15,300
Chouteau County	1,810	211	757	851	791	1,232	5,452
Custer County	3,487	588	1,709	1,807	1,833	2,495	11,897
Daniels County	599	80	238	356	366	609	2,268
Dawson County	2,825	495	1,347	1,308	1,596	1,934	9,506
Deer Lodge County	2,557	714	1,301	1,452	1,875	2,579	10,278
Fallon County	987	103	452	448	489	644	3,103
Fergus County	3,405	479	1,824	1,748	1,701	3,128	12,083
Flathead County	13,190	1,871	6,248	6,222	6,766	8,895	43,192
Gallatin County	8,539	1,646	4,843	5,487	3,815	3,473	27,803
Garfield County	502	61	218	215	242	351	1,589
Glacier County	4,630	806	2,001	1,533	1,602	1,549	12,121
Golden Valley County	282	44	120	125	141	220	912
Granite County	665	134	328	381	446	586	2,548
Hill County	5,852	1,373	2,888	2,489	2,470	2,604	17,654
Jefferson County	2,448	352	1,163	1,818	1,259	1,109	7,939
Judith Basin County	821	79	319	359	364	541	2,282
Lake County	6,675	1,172	2,776	3,146	2,908	4,363	21,041
Lewis and Clark County	2,183	326	1,082	1,464	1,042	1,239	7,335
Liberty County	752	81	355	301	347	459	2,295
Lincoln County	5,427	838	2,381	2,922	3,000	2,915	17,481
Madison County	1,564	312	816	955	932	1,387	5,986
McCone County	698	96	310	355	327	492	2,276
Meagher County	502	61	254	272	304	406	1,819
Mineral County	998	122	491	521	537	648	3,315
Missoula County	8,788	1,171	3,304	3,663	3,486	2,382	21,052
Musselshell County	1,097	163	455	720	558	1,063	4,108
Park County	3,875	820	2,201	2,787	2,185	2,946	14,814
Petroleum County	148	36	71	87	77	102	519
Phillips County	1,821	259	784	709	781	1,009	5,163
Pondera County	2,089	296	970	642	865	1,371	6,433
Powder River County	806	106	274	334	302	466	2,090
Powell County	1,608	638	871	1,346	906	1,251	6,620
Prairie County	349	40	134	207	215	438	1,383
Ravalli County	7,192	1,166	2,982	3,958	4,166	5,546	25,010
Richland County	3,543	518	1,897	1,709	1,346	1,903	10,716
Roosevelt County	4,066	641	1,800	1,477	1,388	1,627	10,999
Rosebud County	3,949	666	1,666	1,803	1,413	1,006	10,505
Sanders County	2,590	387	1,103	1,475	1,283	1,831	8,669
Sheridan County	1,290	151	593	858	745	1,295	4,732
Silver Bow County	8,993	2,525	4,838	4,988	5,107	7,392	33,941
Stillwater County	1,898	297	902	1,035	1,024	1,380	6,536
Sweet Grass County	878	66	373	516	482	811	3,154
Teton County	1,897	298	809	850	930	1,387	6,271
Toole County	1,542	216	737	778	721	1,055	5,046
Treasure County	281	44	115	125	144	165	874
Valley County	2,379	381	1,112	1,273	1,268	1,626	8,239
Wheatland County	838	118	288	279	371	574	2,248
Wibaux County	338	53	181	181	158	299	1,191
Yellowstone County	9,120	1,307	4,437	5,024	4,588	3,825	28,301
Montana	233,863	57,351	123,913	128,087	115,548	140,323	799,065

The 35-44 group follows as the third largest age class in the State with 16 percent. The 25-34 year old group has 15.5 percent, the 45-60 group has 14.5 percent, and the 19-24 year old group has the smallest representation with 7.2 percent of the total population.

DISTRIBUTION

Sixty-five percent of Montana's population resides in small towns and rural areas of the State. The two entitlement cities have over 17 percent of the State's population, with all the other major cities of the State containing about 12.7 percent of the total. The remaining population resides in areas surrounding the larger cities, comprising about 5.7 percent of the State's population. These figures are displayed in Diagram 1.5, at right.

DIAGRAM 1.5
DISTRIBUTION OF POPULATION BY AREA



HOUSEHOLDS

There were 306,919 Montana households reported in the 1990 Census. For the purposes of this study, the households have been distinguished according to the following types: individual households; family households; elderly individual households; elderly family households; and two or more person non-family households. The fundamental point of distinction between these is the housing size requirements of the households. A further distinction is made between elderly and non-elderly households.

The predominant household type in Montana is the family household, which represents 51 percent of all Montana households. Two-person households also represent a large household group, followed by single households. All remaining households represent 40 percent of the population. Just as the elderly represent a significant portion of the population, they represent a significant portion of Montana's households. Of all households in the State, about 30 percent are elderly households. Accordingly, elderly families occupy over half of the two-person households in the State and just under half of all one-person households. Data representing all the State areas for family households, urban, rural, and total households is portrayed on the following page in Table 1.8.

TABLE 1.8
MARKET AND INVENTORY CONDITIONS
FAMILY, HOUSEHOLD, AND POPULATION CHARACTERISTICS

AREA NAME	FAMILIES	HOUSEHOLDS	PERSONS PER HOUSEHOLD	URBAN POPULATION	RURAL POPULATION	TOTAL POPULATION
Billings city	21,616	33,284	2 44	81,151	0	81,151
Bozeman city	4,585	8,724	2 60	22 660	0	22 660
Great Falls city	15,086	22,647	2 43	55,097	0	55,097
Helena city	6,340	10 421	2 34	24 346	0	24 346
Kalispell city	3,123	5 254	2 27	11,917	0	11,917
Missoula city	10,163	17 765	2 42	42 918	0	42,918
Bonner West Riverside CDP	482	654	2 53	0	1,854	1,654
Evergreen CDP	1,095	1,539	2 87	4 109	0	4,109
Helena Valley Northeast CDP	447	537	3 31	0	1,775	1,775
Helena Valley Northwest CDP	324	379	3 25	0	1 231	1,231
Helena Valley Southeast CDP	1,250	1 575	2 82	4,601	0	4 601
Helena Valley West Central CDP	1 603	2 235	2 83	6 327	0	6,327
Helene West Side CDP	549	766	2 45	0	1 680	1,880
Lockwood CDP	1,076	1,374	2 89	3,967	0	3,967
Lolo CDP	772	925	2 97	2,746	0	2,746
Malmstrom AFB CDP	1,423	1,441	4 12	5,936	0	5,936
Orchard Homes CDP	2,690	4,219	2 45	10,317	0	10,317
Sun Prairie CDP	412	440	3 06	0	1,356	1,358
Beaverhead County	2,153	3,166	2 66	3,991	4,433	8,424
Big Horn County	2,690	3,365	3 34	2,940	8,397	11,337
Blaine County	1,709	2,365	2 82	0	6,726	6,728
Broadwater County	946	1,309	2 53	0	3,316	3,318
Carbon County	2,334	3,309	2 44	0	8,080	8,080
Carter County	409	587	2 56	0	1,503	1,503
Cascade County	4,366	5,676	2 69	2,498	12,604	15,300
Chouteau County	1,563	2,096	2 60	0	5,452	5,452
Custer County	3,100	4,599	2 54	8,461	3,236	11,697
Daniels County	634	922	2 46	0	2,266	2,266
Dawson County	2,666	3,719	2 56	4,802	4,703	9,505
Deer Lodge County	2,870	4,068	2 53	7,517	2,761	10,278
Fallon County	873	1,170	2 65	0	3,103	3,103
Fergus County	3,256	4,634	2 61	6,051	6,032	12,083
Flathead County	12,180	16,064	2 66	7,468	35,726	43,192
Gallatin County	7,904	10,383	2 66	3,411	24,392	27,803
Garfield County	441	561	2 73	0	1,589	1,589
Glacier County	2,859	3,769	3 20	3,329	8,792	12,121
Golden Valley County	224	319	2 68	0	912	912
Granite County	716	1,053	2 42	0	2,546	2,546
Hill County	4,517	6,411	2 75	10,322	7,332	17,654
Jefferson County	2,139	2,833	2 80	0	7,939	7,939
Judith Basin County	669	917	2 49	0	2,282	2,282
Lake County	5,766	7,891	2 67	3,254	17,787	21,041
Lewis and Clark County	2,076	2,835	2 59	0	7,335	7,336
Liberty County	579	801	2 87	0	2,295	2,295
Lincoln County	4,926	6,735	2 60	2,644	14,837	17,481
Madison County	1,640	2,387	2 53	0	5,989	5,989
McCone County	659	855	2 66	0	2,276	2,276
Meagher County	476	712	2 55	0	1,819	1,819
Mineral County	861	1,311	2 53	0	3,315	3,315
Missoula County	5,994	7,456	2 62	3,771	17,281	21,052
Musselshell County	1,126	1,688	2 46	0	4,106	4,106
Park County	3,616	5,629	2 60	6,701	7,913	14,614
Petroleum County	161	212	2 45	0	519	519
Phillips County	1,377	1,943	2 66	0	5,163	5,163
Pondera County	1,671	2,156	2 98	2,850	3,583	6,433
Powder River County	565	807	2 59	0	2,090	2,090
Powell County	1,536	2,245	2 65	3,344	3,276	6,620
Prairie County	410	586	2 45	0	1,383	1,383
Ravalli County	6,932	9,606	2 60	2,737	22,273	25,010
Richland County	2,954	4,009	2 67	6,217	5,499	10,716
Roosevelt County	2,768	3,873	2 89	2,880	8,119	10,999
Rosebud County	2,629	3,476	3 02	3,185	7,320	10,505
Sanders County	2,398	3,425	2 53	0	8,669	8,669
Sheridan County	1,353	1,894	2 50	0	4,732	4,732
Silver Bow County	9,072	13,625	2 46	31,415	2,526	33,941
Stillwater County	1,820	2,579	2 53	0	6,536	6,536
Sweet Grass County	867	1,278	2 47	0	3,154	3,154
Teton County	1,683	2,349	2 87	0	6,271	6,271
Toole County	1,304	1,906	2 65	2,763	2,283	5,046
Treasure County	260	344	2 54	0	874	874
Valley County	2,296	3,259	2 53	3,574	4,665	8,239
Wheatland County	565	857	2 62	0	2,246	2,246
Wibaux County	324	470	2 53	0	1,191	1,191
Yellowstone County	8,115	10,219	2 77	8,774	19,527	28,301
Montana	213,625	306,916	2 60	419,666	379,076	799,065

FAMILIES

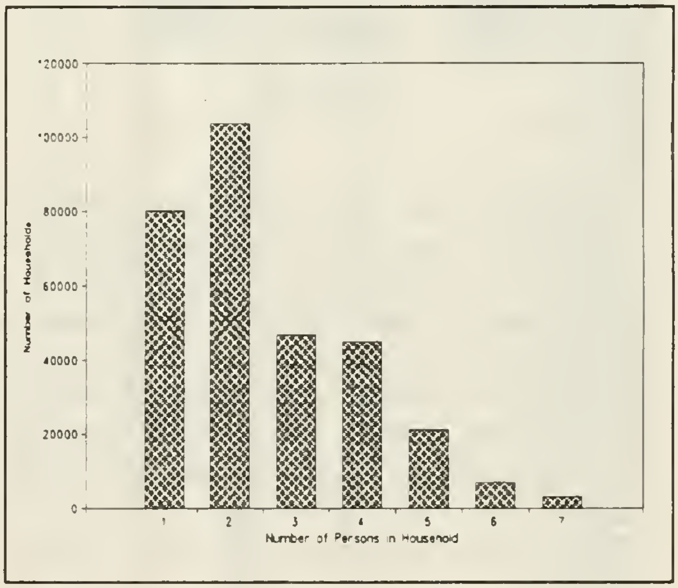
Of the 211,650 families in Montana, 61.5 percent are rural. Montana families are generally headed by married couples. The number of households headed by single persons is significant and is of particular importance with regard to a discussion of affordable housing. Married couples represent 83.4 percent of the State's family types. Of the married couples, 48.6 percent have children, while 51.4 percent have no children. Elderly families, which generally consist of only husband and wife, comprise a large portion of the married couples with no children. The concentrations of couples is higher in rural areas of the State. Conversely, there are higher concentrations of households headed by single persons in the major cities.

There are currently 35,139 family households in Montana headed by single persons. This represents nearly 17 percent of the family households. Seventy-one percent of these households have children present. Furthermore, 75 percent of these households are headed by single women who are more likely to have children than a single-male-headed household. While a higher actual number of single-parent-headed families are located in rural Montana, the major cities have higher concentrations of this particular family type.

HOUSEHOLD SIZE

Household size also varies significantly throughout the State. Diagram 1.6 presents the number of households separated by the number of people in each household. Note that the two largest groups of households are single and two-person households. The number of persons per household ranges from a high of 4.12 in the Malmstrom Air Force Base CDP to a low of 2.27 in Kalispell. Montana has an average of 2.60 persons per household. Specific area data relating to household size by number of persons per household is presented in Table 1.9, on the following page.

DIAGRAM 1.6
HOUSEHOLDS BY PERSONS PER HOUSEHOLD



RENTERS AND HOMEOWNERS (TENURE)

Just over 67 percent of Montana's occupied housing units are occupied by their owner (owner-occupied); the remaining 33 percent are renter-occupied. The rate of home ownership is much higher in the rural areas of the State (72.6 percent) than in the major cities (only 59.8 percent). As is true of the nation as a whole, the largest single group of homeowners in Montana is the elderly. Of all the owner-occupied units in Montana, 26.4 percent are occupied by those 65 years of age and older. This is true of both the major cities and rural Montana.

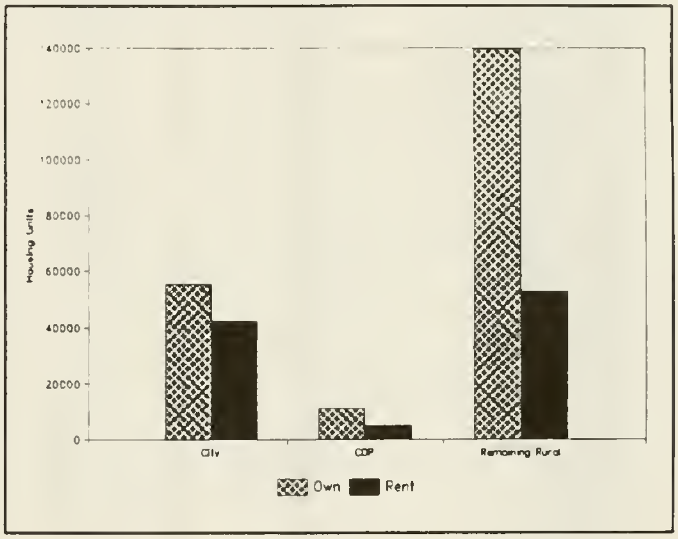
TABLE 1.9
MARKET AND INVENTORY CONDITIONS
NUMBER OF HOUSEHOLDS BY PERSONS PER HOUSEHOLD

	NUMBER OF PERSONS PER HOUSEHOLD							
AREA NAME	1	2	3	4	5	6	7	TOTAL HOUSEHOLDS
Billings city	9,686	11,348	5,138	4,464	1,954	447	237	33,284
Bozeman city	2,630	3,248	1,414	952	380	81	19	8,724
Great Falls city	8,638	7,774	3,395	3,037	1,168	414	220	22,647
Helena city	3,603	3,265	1,525	1,355	487	101	85	10,421
Kalispell city	1,915	1,720	710	572	247	63	27	5,254
Missoula city	5,850	6,018	2,671	2,018	801	293	113	17,765
Bonner West Riverside CDP	158	178	129	157	11	20	0	654
Evergreen CDP	348	485	288	230	118	46	23	1,538
Helena Valley Northeast CDP	84	154	78	104	82	21	3	537
Helena Valley Northwest CDP	31	108	77	97	45	23	0	379
Helena Valley Southeast CDP	288	438	324	312	193	28	13	1,575
Helena Valley West Central CDP	359	740	408	420	263	30	14	2,235
Helena West Side CDP	168	288	173	78	17	7	17	768
Lockwood CDP	238	414	255	277	125	48	18	1,374
Lolo CDP	118	285	187	219	81	38	18	825
Malmstrom AFB CDP	18	251	420	503	188	61	0	1,441
Orchard Homes CDP	1,020	1,460	742	627	247	78	24	4,218
Sun Prairie CDP	20	152	128	101	18	8	15	440
Beaverhead County	677	1,082	451	437	208	66	45	3,166
Big Horn County	636	815	554	599	376	182	233	3,395
Blaine County	630	686	328	354	221	89	77	2,385
Broadwater County	318	473	182	181	105	33	7	1,309
Carbon County	900	1,227	428	450	225	48	31	3,309
Carter County	188	175	86	78	57	14	0	587
Cascade County	1,156	2,010	884	813	435	155	46	5,878
Chouteau County	508	744	303	318	173	42	12	2,098
Custer County	1,356	1,514	857	831	318	89	34	4,589
Daniels County	274	329	112	110	84	31	2	922
Dawson County	891	1,269	517	572	274	74	22	3,719
Deer Lodge County	1,308	1,321	620	549	178	80	36	4,088
Fallon County	280	411	150	184	128	31	6	1,170
Fergus County	1,263	1,658	621	608	353	84	47	4,634
Flathead County	3,288	5,722	2,558	2,758	1,182	420	126	18,084
Gallatin County	1,863	3,724	1,882	1,811	868	220	104	10,383
Garfield County	138	182	84	88	45	22	11	581
Glacier County	638	894	571	594	412	248	128	3,788
Golden Valley County	87	111	43	44	23	7	4	318
Granite County	312	366	151	141	43	32	8	1,053
Hill County	1,670	1,948	857	1,087	533	145	83	6,411
Jefferson County	617	878	407	500	240	88	22	2,833
Judith Basin County	243	348	120	135	58	8	3	817
Lake County	1,877	2,847	1,153	1,040	582	243	149	7,891
Lewis and Clark County	627	1,074	488	408	182	58	37	2,835
Liberty County	217	251	87	127	65	28	18	801
Lincoln County	1,638	2,403	1,013	883	488	139	63	6,735
Madison County	654	841	320	323	170	42	17	2,367
McCone County	187	306	108	154	65	28	8	856
Meagher County	211	265	86	78	48	11	4	712
Mineral County	337	494	166	178	90	24	22	1,311
Missoula County	1,178	2,521	1,337	1,418	885	213	102	7,455
Musselshell County	506	553	208	219	113	49	20	1,688
Park County	1,538	2,021	760	747	350	152	40	5,628
Petroleum County	47	80	30	27	11	4	3	212
Phillips County	518	612	294	282	182	28	26	1,943
Pondera County	545	716	276	332	209	50	28	2,156
Powder River County	213	287	125	117	68	18	8	807
Powell County	633	788	347	306	135	18	19	2,245
Prairie County	153	220	71	75	26	11	9	565
Ravalli County	2,348	3,650	1,410	1,311	570	165	124	9,608
Richland County	889	1,286	608	615	375	114	29	4,009
Roosevelt County	866	875	586	581	369	188	118	3,873
Rosebud County	737	805	565	611	382	131	135	3,476
Sanders County	829	1,200	487	435	269	86	37	3,425
Sheridan County	507	710	237	278	103	50	9	1,894
Silver Bow County	4,363	4,368	2,038	1,641	866	291	39	13,625
Stillwater County	602	830	384	408	160	48	28	2,578
Sweet Grass County	382	451	166	163	73	39	4	1,278
Teton County	816	654	281	312	204	46	34	2,348
Toole County	564	618	285	249	141	41	7	1,805
Treasure County	82	118	58	52	23	7	2	344
Valley County	903	1,076	451	475	261	57	34	3,258
Wheatland County	276	308	86	88	70	18	1	857
Wibaux County	137	158	58	63	24	23	8	470
Yellowstone County	1,842	3,473	1,733	1,803	865	333	70	10,218
Montana	60,214	103,789	46,904	44,665	21,184	6,773	3,210	306,919

Overall, the 35-44 age group has the second highest rate of home ownership in both rural areas and the major cities. The total number of housing units was 361,155 in the 1990 census, of which over 15 percent were vacant. Diagram 1.7, below at right, displays the number of households, by ownership status, in each of the three geographic area designations addressed herein. Area statistics that describe renter and homeowners is presented on the previous page, in Table 1.10.

The people most likely to rent in Montana, in both rural areas and the major cities, are those in the 25-35 year old age group. Given that people in this age category are more likely to live in the cities and occupy an individual unit, and further, that home ownership is less affordable in the major cities, there is an indication of a need for assistance to young adults who are first-time buyers in the acquisition of homes. Those least likely to rent are those in the age group 45-54.

DIAGRAM 1.7
RENTERS AND OWNERS BY GEOGRAPHIC AREA



SUMMARY

Over the last 10 years, Montana's population has not risen appreciably, increasing only by about 12,000 people. The number of households have risen more, due to fewer person per household. In regard to Montana's demographic complexion, the population is predominately white. Native Americans, the State's largest racial minority, are highly concentrated in areas with tribal organizations; however, the tribal organizations typically have their own housing operations and are considered outside the Montana CHAS development process and priority enumeration. Of course, Native American concentrations in areas of the State where Montana's CHAS does address are included herein, but available data does not distinctly identify the areas. There is little minority Hispanic concentration in the State.

Racial, ethnic, and household data in support of this narrative is presented on CHAS Table 1A, on page 29.

Economic conditions all across Montana have resulted in lower average real rates of pay over the last 10 to 15 years. Today, unemployment rates have risen and employment worries persist. Accompanying this one sees rising levels of low income households and vast sections of the State can be considered low income. Nearly 50 percent of all households reported income less than $22,500 in 1989. This is significantly lower than the national median family income, which was nearly $36,000 in 1989. Over 80% of all Montana Households are below the national median family income. Furthermore, it is becoming increasingly difficult for Montana's

first time home buyers to complete a transaction, as the prices of homes are increasing faster than interest rates are falling.

TABLE 1.10
MARKET AND INVENTORY CONDITIONS
HOUSING UNITS BY OCCUPANCY STATUS

AREA NAME	OCCUPIED UNITS	VACANT UNITS	URBAN UNITS	RURAL UNITS	OWNER OCCUPIED	RENTAL OCCUPIED	TOTAL UNITS
Billings city	33 181	2 781	35,964	0	20,297	12 884	15,964
Bozeman city	8,751	366	9 117	0	3 519	5,232	9 117
Great Falls city	22,639	1,518	24,157	0	14 207	8 432	24 157
Helene city	10,316	630	10 946	0	5,851	4 465	10,946
Kalispell city	5,237	300	5,537	0	2,826	2,411	5 537
Missoula city	17,677	811	18,488	0	8,750	8 927	18,488
Bonner West Riverside CDP	661	59	0	720	387	274	720
Evergreen CDP	1,548	87	1,635	0	1,106	442	1,635
Helena Valley Northeast CDP	581	16	0	587	501	80	597
Helena Valley Northwest CDP	388	35	0	423	356	32	423
Helena Valley Southeast CDP	1,564	79	1 643	0	1,341	223	1,643
Helene Valley West Central CDP	2,205	76	2,281	0	1 892	313	2,281
Helena West Side CDP	731	48	0	779	581	150	779
Lockwood CDP	1,368	132	1,500	0	1,090	278	1,500
Lolo CDP	913	40	953	0	716	197	953
Malmstrom AFB CDP	1,415	61	1,486	0	90	1,325	1,486
Orchard Homes CDP	4 169	170	4,339	0	2,505	1,664	4,339
Sun Praine CDP	410	41	0	451	381	29	451
Beaverhead County	3,211	917	1,804	2,324	1,975	1,236	4,128
Big Horn County	3,446	856	1,303	3,001	2,160	1,288	4,304
Blaine County	2,379	551	0	2,930	1,479	900	2,930
Broadwater County	1,280	313	0	1,593	959	321	1,593
Carbon County	3,269	1,559	0	4,828	2,408	861	4,828
Carter County	589	227	0	816	456	133	816
Cascade County	5,669	1,290	1,075	5,884	4,509	1,160	6,959
Chouteau County	2,064	604	0	2,668	1,431	633	2,668
Custer County	4 631	774	4,006	1,399	3,100	1,531	5,405
Daniels County	919	301	0	1,220	730	189	1,220
Dawson County	3,691	796	2,391	2,096	2,685	1,006	4,487
Deer Lodge County	4,060	770	3,559	1,271	2,961	1,098	4,830
Fallon County	1,166	359	0	1,525	898	268	1,525
Fergus County	4,603	1,129	2,867	2,865	3,290	1,313	5,732
Flathead County	16,049	3,758	3,463	16,344	12,199	3,850	19,807
Gallatin County	10,264	1,969	1,290	10,943	7,608	2,656	12,233
Garfield County	577	347	0	924	409	168	924
Glacier County	3,816	981	1,532	3,265	2,325	1,491	4,797
Golden Valley County	330	102	0	432	261	69	432
Granite County	1,051	873	0	1,924	792	259	1,924
Hill County	6,426	919	4,335	3,010	4,056	2,370	7,345
Jefferson County	2,867	435	0	3,302	2,313	554	3,302
Judith Basin County	908	438	0	1,348	662	246	1,346
Lake County	7,814	3,158	1,561	9,411	5,485	2,329	10,972
Lewis and Clark County	2,864	1,879	0	4,743	2,247	617	4,743
Liberty County	788	219	0	1,007	565	223	1,007
Lincoln County	6,668	1,334	1,168	6,834	4,888	1,780	8,002
Madison County	2,387	1,515	0	3,902	1,643	744	3,902
McCone County	844	317	0	1,161	660	184	1,161
Meagher County	709	550	0	1,259	476	231	1,259
Mineral County	1,282	353	0	1,635	934	348	1,635
Missoula County	7,362	1,604	1,560	7,406	9,158	1,208	8,966
Musselshell County	1,661	522	0	2,183	1,287	384	2,183
Park County	5,643	1,329	3,137	3,835	3,748	1,895	6,972
Petroleum County	209	84	0	293	159	50	293
Phillips County	1,931	834	0	2,765	1,347	584	2,765
Pondera County	2,246	372	1,267	1,351	1,562	684	2,819
Powder River County	805	291	0	1,096	591	214	1,096
Powell County	2,234	601	1,636	1,199	1,603	631	2,835
Prairie County	568	181	0	749	448	120	749
Ravalli County	9,668	1,401	1,476	9,623	7,281	2,417	11,099
Richland County	3,856	969	2,363	2,462	2,797	1,159	4,825
Roosevelt County	3,694	571	1,236	3,029	2,361	1,333	4,265
Rosebud County	3,479	772	1,192	3,059	2,395	1,084	4,251
Sanders County	3,397	938	0	4,335	2,551	846	4,335
Sheridan County	1,899	518	0	2,417	1,463	436	2,417
Silver Bow County	13,899	1,575	14,335	1,139	9,844	4,055	15,474
Stillwater County	2,523	768	0	3,291	1,857	666	3,291
Sweet Grass County	1,281	356	0	1,638	924	357	1,638
Teton County	2,329	396	0	2,725	1,710	819	2,725
Toole County	1,922	432	1,302	1,052	1,381	541	2,354
Treasure County	339	109	0	448	219	120	449
Valley County	3,268	2,036	1,744	3,560	2,332	936	5,304
Wheatland County	849	280	0	1,129	639	210	1,129
Wibaux County	454	109	0	563	329	125	563
Yellowstone County	10,140	1,177	3,860	7,457	7,984	2,156	11,317
Montana	306,163	54,992	183,518	177,637	205,938	100,225	361,155

CHAS Table 1A

Population & Household Data

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)
Instructions for States

Name of State or Sub-State Area

Montana

Five Year Period: (enter fiscal yrs.)
FY 1994 through FY 1998

A. Population	1980 Census Data (A)	1990 Census Data (B)	% Change (C)
1. White (non-Hispanic)	734,490	733,878	-0%
2. Black (non-Hispanic)	1,699	2,242	32%
3. Hispanic (all races)	10,103	12,174	20%
4. Native American (non-Hispanic)	37,022	46,475	26%
5. Asian & Pacific Islanders (non-Hispanic)	2,937	4,123	40%
6. Other (non-Hispanic)	439	173	-61%
7. Total Population	786,690	799,065	2%
8. Household Population	766,624	775,318	1%
9. Non-Household Population	20,066	23,747	18%

D. Relative Median Income of Jurisdiction

State Median Family Income	Sub-State Median Family Income	National Median Family Income
$28,044	$0	$35,939

B. Special Categories
(e.g. students, military, migrant farm workers, etc.)

C. Households	Total Households 1990 (A)	% of Total Households (B)	% Very Low Income 0-50% MFI* (C)	% Other Low Income 51-80% MFI* (D)	% Moderate Income 81-95% MFI* (E)	% Above 95% MFI* (F)
1. White (non-Hispanic)	288,759	94%	23%	18%	9%	50%
2. Black (non-Hispanic)	586	0%	35%	13%	10%	42%
3. Hispanic (all races)	3,132	1%	38%	18%	10%	34%
4. Native American (non-Hispanic)	13,371	4%	48%	18%	8%	26%
5. Asian & Pacific Islanders (non-Hispanic)	1,046	0%	34%	15%	10%	42%
6. All Households	306,919	100%	24%	18%	9%	48%

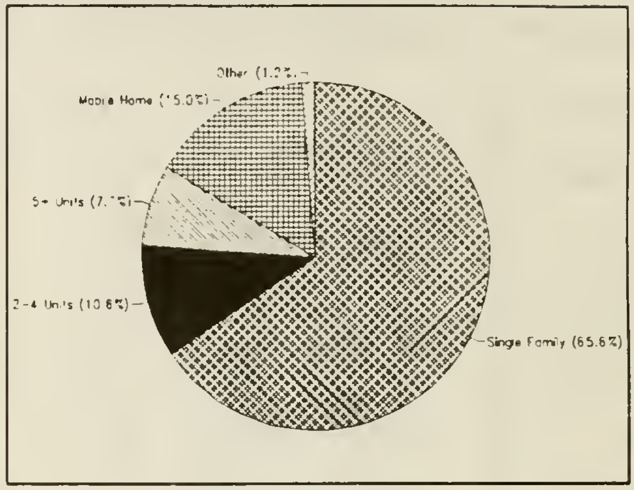
* Or, based upon HUD adjusted income limits, if applicable

2. MARKET AND INVENTORY CONDITIONS
i. GENERAL MARKET AND INVENTORY

TYPES OF HOUSING

Single-family detached units are the predominant housing type in Montana. They comprise 65.6 percent of the State's total units. Multifamily units represent the second largest group at 18.3 percent.[8] Mobile homes comprise 15 percent of the total units. Diagram 1.8, at right, presents the percent of each housing type in the State. However, the presence of each housing type varies significantly around the State. For example, rural Montana has a higher concentration of single-family units than the major cities; these areas also have more mobile homes than the major cities. This implies that needs for housing around the State will vary depending upon the predominance of various housing types. To better view the large variations from area to area, housing type data for all geographic regions is presented in Table 1.11, on the following page.

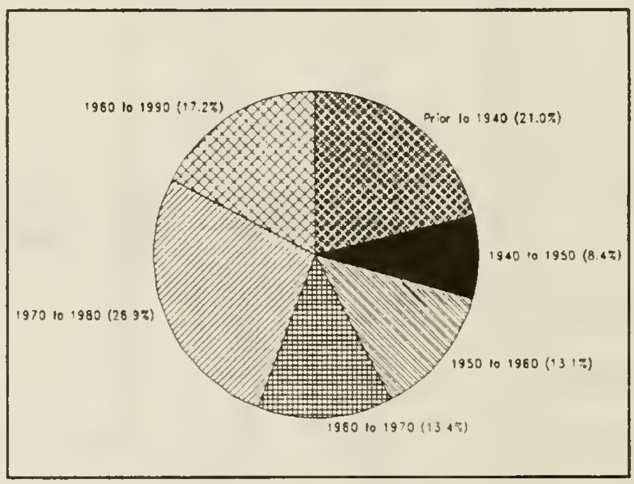
DIAGRAM 1.8
TYPE OF HOUSING UNIT



AGE OF HOUSING STOCK

According to the 1990 Census, nearly 27 percent of Montana's dwelling units were constructed between 1970 and 1980. Another 21 percent were constructed prior to 1940. Homes built before 1940 have some potential for structural problems relating to inadequate foundations and floor supports, poor plumbing, outdated electrical wiring, and substandard roofs. Because of this, pre-1940 housing tends to need moderate rehabilitation. Other prospective environmental hazards exist, which will be discussed shortly. Diagram 1.9 displays a pie chart representing the percent of occupied housing units in each age category. Large discrepancies underlay the statewide average in quality of housing construction. As noted earlier, some areas of the State have lost population. This implies a

DIAGRAM 1.9
AGE OF OCCUPIED HOUSING UNITS



[8] Buildings with two or more units are considered multifamily units in this discussion.

shortfall in housing construction and increases the potential for a more hazardous housing stock. Table 1.12, on the following page, presents occupied housing vintage by area.

TABLE 1.11
MARKET AND INVENTORY CONDITIONS
TYPE OF HOUSING UNIT

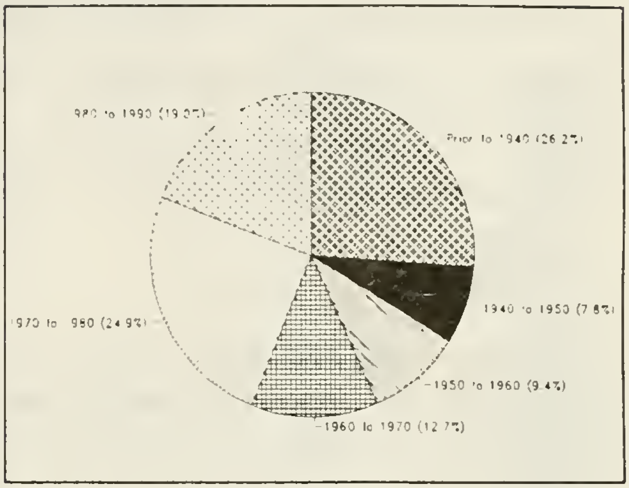
	SINGLE FAMILY UNITS		2-4 UNITS		MULTI-FAMILY UNITS						
AREA NAME	DETACHED	ATTACHED	DUPLEX	TRI & QUADRIPLEX	5-9 UNITS	10-19 UNITS	20-49 UNITS	50 OR MORE	MOBILE HOMES	OTHER HOMES	TOTAL UNITS
Billings city	21 632	1 166	2 782	2 290	2 346	1 275	545	798	2 707	423	35 984
Bozeman city	3 515	318	901	1 479	783	717	501	209	569	125	9 117
Great Falls city	14 746	645	1 197	1 821	1 082	1 395	1 217	361	1 563	130	24 157
Helena city	6 003	268	890	1 464	598	463	322	287	534	117	10 946
Kalispell city	3 530	153	319	468	226	199	302	171	142	27	5 537
Missoula city	10 191	347	1 707	1 988	1 035	1 123	681	390	830	196	18 488
Bonner West Riverside CDP	341	0	0	32	0	0	0	0	340	7	720
Evergreen CDP	827	26	30	19	9	21	0	0	687	16	1 635
Helena Valley Northeast CDP	441	0	5	5	0	0	0	0	146	0	597
Helena Valley Northwest CDP	315	0	0	0	0	0	0	0	108	0	423
Helena Valley Southeast CDP	845	0	6	28	0	0	0	0	764	0	1 643
Helena Valley West Central CDP	1 544	0	14	7	0	4	0	0	712	0	2 281
Helena West Side CDP	413	0	34	25	0	0	0	0	307	0	779
Lockwood CDP	779	9	4	29	0	0	0	0	666	13	1 500
Lolo CDP	639	0	27	40	9	17	0	0	210	11	953
Malmstrom AFB CDP	36	1 116	56	70	58	0	0	0	85	75	1 496
Orchard Homes CDP	2 498	100	506	262	6	0	0	0	933	34	4,339
Sun Prairie CDP	280	0	0	0	0	0	0	0	171	0	451
Beaverhead County	2,679	33	146	92	87	49	100	0	780	162	4 128
Big Horn County	3,080	7	98	106	120	40	23	0	758	72	4 304
Blaine County	2,211	18	88	77	38	40	47	0	393	18	2,930
Broadwater County	1,099	14	12	51	21	15	0	0	348	33	1,593
Carbon County	3,775	59	105	92	74	22	0	0	682	19	4 828
Carter County	563	8	7	0	0	8	0	0	216	16	816
Cascade County	5 045	34	98	94	34	9	20	0	1,589	36	6,959
Chouteau County	1 953	23	49	36	40	45	0	0	514	8	2,668
Custer County	3 893	66	197	279	193	119	70	101	614	73	5,405
Daniels County	970	11	6	30	11	21	0	0	157	14	1,220
Dawson County	3,170	67	194	169	132	58	51	0	594	52	4,487
Deer Lodge County	3,829	78	130	183	72	81	90	0	297	70	4 830
Fallon County	1,113	7	31	45	29	29	0	0	262	9	1,525
Fergus County	4,065	22	121	161	148	138	30	0	924	123	5,732
Flathead County	13,732	361	445	593	299	306	116	145	3,555	255	19,807
Gallatin County	8 005	516	235	401	194	110	0	69	2 554	149	12,233
Garfield County	646	3	8	12	6	0	0	0	239	10	924
Glacier County	3 077	161	216	152	86	62	87	0	911	45	4 797
Golden Valley County	356	0	0	0	0	0	0	0	71	5	432
Granite County	1,350	14	11	28	21	20	0	0	473	7	1,924
Hill County	4,745	61	374	369	278	237	109	53	1,026	93	7,345
Jefferson County	2,377	17	45	36	11	33	31	0	713	39	3,302
Judith Basin County	1,037	8	11	4	3	23	0	0	253	7	1,346
Lake County	7 990	175	220	181	186	80	105	0	1,931	104	10,972
Lewis and Clark County	3,732	20	55	46	15	0	0	0	829	46	4,743
Liberty County	701	8	24	3	7	11	41	0	195	17	1,007
Lincoln County	5,457	48	84	105	124	134	94	0	1,818	138	8,002
Madison County	2 615	38	66	52	64	258	61	0	643	105	3,902
McCone County	874	6	15	24	19	0	0	0	219	4	1,161
Meagher County	873	2	24	18	16	0	0	0	246	80	1 259
Mineral County	952	12	31	22	28	2	0	0	557	31	1,635
Missoula County	6 311	60	114	31	29	15	0	0	2,351	55	8,966
Musselshell County	1,568	15	17	17	31	15	52	0	405	63	2,183
Park County	4 881	58	210	176	139	76	169	0	1,143	120	6,972
Petroleum County	207	0	0	0	0	0	0	0	81	5	293
Phillips County	1 930	26	31	81	55	55	0	0	495	92	2,765
Pondera County	1 962	60	20	56	72	42	32	0	329	45	2 618
Powder River County	670	5	23	11	7	0	0	0	359	21	1,096
Powell County	1 992	12	97	84	35	30	20	0	504	61	2,835
Prairie County	579	7	2	16	21	0	0	0	118	6	749
Ravalli County	8 135	86	215	194	125	97	54	58	1,982	153	11,099
Richland County	3 230	57	171	252	187	109	0	0	812	7	4 825
Roosevelt County	3,118	98	139	130	59	43	25	0	626	27	4 265
Rosebud County	2 248	107	132	175	96	81	0	0	1,353	59	4,251
Sanders County	3,047	38	73	30	64	8	24	0	957	94	4,335
Sheridan County	1,766	17	29	96	76	64	0	0	350	19	2,417
Silver Bow County	10,786	207	644	668	577	498	501	78	1,447	68	15,474
Stillwater County	2 388	21	43	56	31	9	30	0	695	18	3 291
Sweet Grass County	1 285	11	43	33	41	0	0	0	211	15	1 639
Teton County	2 123	14	23	31	82	15	0	60	294	83	2,725
Toole County	1,644	21	53	26	97	41	46	0	384	42	2,354
Treasure County	316	4	3	0	0	13	0	0	112	0	448
Valley County	3 170	1 201	159	72	78	23	0	105	418	78	5,304
Wheatland County	845	7	13	38	10	13	0	0	190	13	1,129
Wibaux County	369	0	6	27	0	20	0	0	125	16	563
Yellowstone County	8 033	76	124	114	192	108	28	0	2 470	172	11,317
Montana	236 942	8,251	14 008	15 902	10 612	8 539	5,624	2,885	54,046	4 346	361,155

TABLE 1.12
MARKET AND INVENTORY CONDITIONS
OCCUPIED UNITS BY AGE OF HOUSING STOCK

	BUILT DURING THE PERIOD:								
AREA NAME	1939 OR EARLIER	1940-49	1950-59	1960-69	1970-79	1980-84	1985-88	1989-90	TOTAL UNITS
Billings city	3 362	3,236	6 434	5 417	8 213	4 581	1 825	113	33 181
Bozeman city	1,946	687	1 023	1 235	2 161	1 062	578	59	8 751
Great Falls city	4 199	3,010	4 537	5 200	3 998	1 061	517	117	22 639
Helena city	3,138	897	1 278	1 598	2 203	616	553	33	10,316
Kalispell city	1 349	792	836	529	991	350	378	12	5 237
Missoula city	3,902	1 953	2,978	2,811	4,080	1,275	586	92	17,677
Bonner West Riverside CDP	195	36	52	111	238	29	0	0	661
Evergreen CDP	50	190	315	265	599	106	23	0	1 548
Helena Valley Northeast CDP	70	6	12	49	221	129	88	6	581
Helena Valley Northwest CDP	9	0	0	59	206	100	14	0	388
Helena Valley Southeast CDP	21	1	37	143	913	306	122	21	1 564
Helena Valley West Central CDP	70	20	74	472	1,059	296	196	18	2 205
Helena West Side CDP	202	41	33	134	263	48	0	10	731
Lockwood CDP	57	70	141	131	655	252	54	8	1,368
Lolo CDP	22	4	10	134	515	121	97	10	913
Malmstrom AFB CDP	0	212	506	506	117	37	37	0	1,415
Orchard Homes CDP	301	286	718	1 082	1 231	322	193	36	4 169
Sun Prairie CDP	0	0	0	18	297	64	23	8	410
Beaverhead County	923	184	296	441	874	350	122	21	3,211
Big Horn County	643	231	331	431	1 149	367	236	60	3,448
Blaine County	656	185	223	141	763	263	139	9	2,379
Broadwater County	286	79	89	107	447	205	63	4	1,280
Carbon County	1 380	150	146	275	806	342	153	17	3,269
Carter County	171	61	72	88	147	39	11	0	589
Cascade County	1 135	491	706	775	1 660	573	236	87	5,669
Chouteau County	654	157	339	197	461	122	117	17	2 064
Custer County	1,247	540	689	625	1 178	259	77	16	4 631
Daniels County	377	75	127	55	180	75	23	7	919
Dawson County	836	445	681	436	845	429	13	6	3,691
Deer Lodge County	2,007	398	762	360	441	56	36	0	4,060
Fallon County	415	55	116	141	303	109	25	2	1,166
Fergus County	1,817	391	672	440	867	307	106	3	4 603
Flathead County	1 566	985	1,768	1,724	5,082	2,990	1,661	273	16,049
Gallatin County	1 448	321	626	1,023	3,636	1,872	1,065	273	10,264
Garfield County	135	45	66	83	167	55	21	5	577
Glacier County	699	263	394	449	1 151	490	340	30	3 816
Golden Valley County	154	9	44	19	66	24	14	0	330
Granite County	349	93	93	101	226	110	61	18	1,051
Hill County	1,254	798	1 238	821	1,507	644	153	11	6,426
Jefferson County	628	69	148	250	1 020	358	354	40	2,867
Judith Basin County	416	40	97	50	180	90	25	10	908
Lake County	1 249	552	778	929	2 597	842	642	225	7,814
Lewis and Clark County	584	129	285	326	883	373	253	31	2,864
Liberty County	233	56	138	80	183	72	26	0	788
Lincoln County	957	480	862	1 254	1 753	878	374	110	6 668
Madison County	662	182	163	209	651	321	157	42	2,387
McCone County	165	89	149	130	223	73	15	0	844
Meagher County	218	58	99	83	159	71	19	2	709
Mineral County	220	40	157	169	478	183	33	2	1,282
Missoula County	416	183	484	1,073	3 105	1 295	676	130	7,362
Musselshell County	557	129	141	90	456	227	57	4	1,661
Park County	1 848	615	594	471	1 249	483	320	63	5,643
Petroleum County	65	23	14	12	64	26	3	2	209
Phillips County	585	128	193	201	449	242	129	4	1,931
Pondera County	657	222	429	193	512	84	141	8	2 246
Powder River County	188	53	90	101	222	108	36	7	805
Powell County	683	182	335	203	615	112	91	13	2 234
Prairie County	203	72	81	53	116	35	6	2	568
Ravalli County	2 081	594	526	900	3 365	1 303	743	186	9 698
Richland County	744	435	488	385	1 148	689	62	5	3,956
Roosevelt County	794	322	462	409	885	519	189	114	3,694
Rosebud County	471	125	165	366	1 260	790	282	0	3 479
Sanders County	686	239	329	378	1 031	429	251	54	3,397
Sheridan County	636	141	239	234	379	239	29	2	1 899
Silver Bow County	6 274	1 283	1 636	1 436	2 546	385	276	63	13,899
Stillwater County	693	264	182	199	620	297	233	35	2 523
Sweet Grass County	473	75	123	161	285	112	44	8	1 281
Teton County	737	445	269	167	428	173	98	12	2,329
Toole County	513	223	380	204	417	133	41	11	1 922
Treasure County	105	40	41	25	71	50	7	0	339
Valley County	783	179	550	596	763	318	67	12	3,268
Wheatland County	456	64	74	64	129	41	18	3	849
Wibaux County	157	41	45	36	88	77	10	0	454
Yellowstone County	1 247	499	839	973	3 986	1 715	802	79	10 140
Montana	64 429	25 668	40 047	41,036	82 258	33 579	16 465	2,681	306 163

Still, over 15 percent of Montana's housing stock was listed as vacant in the 1990 Census. This includes for-sale properties, available vacant rentals, plus second or vacation homes. Diagram 1.10, at right, shows the vintage categories for the vacant homes. It appears that age plays a large role in whether the home is vacant, with over 26 percent of the vacant homes 50 years of age or older. Census data indicates that a large percent of vacant homes exist in the rural and less densely populated areas of the State. For example, a much larger percent of vacant homes have missing or incomplete kitchen and plumbing facilities and over 35 percent of the vacant housing stock in Meagher County lacks adequate plumbing. Overall, the State expects a portion of these homes to be lost through demolition and abandonment. Such losses, and other unsuitable housing conditions, in local housing stock varies widely around the State. The number of vacant homes, by age, is presented in Table 1.13, on the following page.

DIAGRAM 1.10
AGE OF VACANT HOUSING STOCKS



SUITABILITY CRITERIA

SUBSTANDARD HOUSING

The aggregate number of housing units experiencing some form of substandard condition is not small. Since several segments of the population tend to be experiencing a disproportionate share of the severe and adverse conditions, the State offers suitability criteria to use when evaluating policy options that might be designed to alleviate tenant and homeowner substandard conditions.

Substandard housing conditions are those requiring critical repairs in order that the housing unit will not endanger the health, safety, or welfare of the occupants. (Failure to meet Section 8 Housing Quality Standards is included.) The presence of the following *moderate* physical problems defines a dwelling unit as substandard.

> *Plumbing.* On at least three occasions during the last 3 months all the flush toilets were broken down at the same time for 6 hours or more.
> *Heating.* Having unvented gas, oil, or kerosene heaters as the primary heating equipment.
> *Upkeep.* Having any three of these six upkeep problems: water leaks from the outside, such as from the roof, basement, windows or doors; leaks from inside structure such as pipes or plumbing fixtures; holes in the floors; holes or open cracks in the walls or ceilings; more than 8 inches of peeling paint or broken plaster; or signs of rats or mice in the last 90 days.
> *Hallways.* Having any three of these four hallway problems: no working light fixtures; loose or missing steps; loose or missing railings; and no elevator.
> *Kitchen.* Lacking a kitchen sink, refrigerator, or burners inside the structure for the exclusive use of the unit.

TABLE 1.13
MARKET AND INVENTORY CONDITIONS
VACANT UNITS BY AGE OF HOUSING STOCK

AREA NAME	BUILT DURING THE PERIOD: 1939 OR EARLIER	1940-49	1950-59	1960-69	1970-79	1980-84	1985-88	1989-90	TOTAL UNITS
Billings city	523	442	349	279	666	359	138	27	2,783
Bozeman city	133	19	34	65	70	29	7	9	366
Great Falls city	645	202	198	203	225	12	18	15	1 518
Helena city	286	58	55	109	79	33	10	0	630
Kalispell city	69	39	82	17	59	22	12	0	300
Missoula city	209	116	110	81	202	66	25	2	811
Bonner West Riverside CDP	14	0	17	14	14	0	0	0	59
Evergreen CDP	0	0	37	0	35	11	0	4	87
Helena Valley Northeast CDP	0	0	0	0	7	9	0	0	16
Helena Valley Northwest CDP	0	0	0	23	6	6	0	0	35
Helena Valley Southeast CDP	0	0	0	12	46	21	0	0	79
Helena Valley West Central CDP	4	0	4	22	41	0	5	0	76
Helena West Side CDP	6	0	8	4	30	0	0	0	48
Lockwood CDP	3	17	7	17	70	11	0	7	132
Lolo CDP	0	0	0	9	11	7	13	0	40
Malmstrom AFB CDP	0	6	20	48	7	0	0	0	81
Orchard Homes CDP	15	5	26	72	42	0	0	10	170
Sun Prairie CDP	0	0	5	5	21	10	0	0	41
Beaverhead County	271	65	91	76	232	138	33	11	917
Big Horn County	131	32	73	48	333	130	44	65	856
Blaine County	218	39	49	38	111	64	32	0	551
Broadwater County	57	14	29	32	108	55	9	9	313
Carbon County	528	60	77	120	374	230	137	33	1,559
Carter County	79	18	34	27	55	5	9	0	227
Cascade County	414	67	106	153	283	152	70	45	1,290
Chouteau County	196	71	101	72	99	43	15	7	604
Custer County	283	113	68	61	174	45	17	13	774
Daniels County	179	16	17	33	32	15	3	6	301
Dawson County	306	92	138	109	111	40	0	0	796
Deer Lodge County	489	18	27	111	110	15	0	0	770
Fallon County	173	26	37	40	70	8	3	2	359
Fergus County	453	63	111	120	214	105	48	15	1,129
Flathead County	364	399	305	453	1 017	746	423	51	3,758
Gallatin County	205	90	191	91	711	339	252	90	1,969
Garfield County	131	13	42	50	68	24	19	0	347
Glacier County	199	40	96	125	264	162	82	13	981
Golden Valley County	44	0	10	4	25	12	7	0	102
Granite County	278	51	93	120	155	60	98	18	873
Hill County	330	117	74	161	135	60	4	38	919
Jefferson County	178	18	30	24	109	35	28	13	435
Judith Basin County	219	23	37	33	81	39	6	0	438
Lake County	307	292	398	434	944	412	245	126	3 158
Lewis and Clark County	349	53	187	240	613	232	160	45	1 879
Liberty County	84	19	36	7	47	14	8	4	219
Lincoln County	223	67	141	169	353	181	108	92	1,334
Madison County	305	61	74	98	586	232	107	52	1,515
McCone County	124	47	50	33	53	10	0	0	317
Meagher County	216	40	89	40	93	31	32	9	550
Mineral County	42	10	37	72	121	46	22	3	353
Missoula County	76	62	92	197	644	353	136	44	1,604
Musselshell County	193	51	48	28	114	66	22	0	522
Park County	334	53	126	97	535	76	62	46	1,329
Petroleum County	40	7	7	12	12	5	1	0	84
Phillips County	395	52	57	84	148	67	30	1	834
Pondera County	140	29	37	44	111	11	0	0	372
Powder River County	67	33	46	39	60	36	9	1	291
Powell County	222	11	78	49	145	34	51	11	601
Prairie County	95	20	10	22	17	14	3	0	181
Ravalli County	243	56	83	173	427	241	143	35	1,401
Richland County	234	134	113	103	149	112	24	0	869
Roosevelt County	229	64	54	55	111	38	14	6	571
Rosebud County	99	34	21	89	260	152	50	67	772
Sanders County	186	100	43	88	261	134	95	31	938
Sheridan County	225	30	46	35	87	83	8	2	518
Silver Bow County	1 034	177	124	65	111	31	24	9	1 575
Stillwater County	179	78	79	70	193	61	89	19	768
Sweet Grass County	133	44	30	14	60	45	9	3	358
Teton County	116	87	42	21	99	18	9	4	396
Toole County	166	38	74	75	48	13	18	0	432
Treasure County	40	14	8	11	30	6	0	0	109
Valley County	340	76	68	1 343	117	68	17	7	2 036
Wheatland County	132	5	42	19	52	23	7	0	280
Wibaux County	52	12	0	18	15	12	0	0	109
Yellowstone County	180	71	32	70	530	180	97	17	1,177
Montana	14 432	4 276	5 162	6 995	13 668	6 155	3 167	1 137	54 992

SUITABLE FOR REHABILITATION

Substandard dwelling units may still be suitable for rehabilitation. These types of units must be both financially and structurally feasible for rehabilitation. Such actions do not include units that require only cosmetic work, correction or minor livability problems, or maintenance work. The units must, however, be designed for year-round use. This means that construction and heating of the unit should make it usable for year-round occupancy; i.e., built as a permanent structure, properly equipped and insulated for heating based on the climate, and have heating equipment adequate for long cold periods.

NOT SUITABLE FOR REHABILITATION

Unfortunately, not all substandard units are in good enough condition to rehabilitate in a safe and cost-effective manner. Others may not be properly designed. The latter includes dwelling units that were not designed for use year-round, not built as a permanent structure, not properly equipped and insulated for heating based on the climate, and without heating equipment adequate for long cold periods.

The former are substandard dwelling units characterized by the presence of several of the following *severe* physical problems.

> *Plumbing.* Lacking hot or cold piped water or a flush toilet, or lacking both bathtub and shower, all inside the structure for the exclusive use of the unit.
> *Heating.* Was uncomfortably cold last winter for 24 hours or more due to breakdown of heating equipment and it broke down at least three times last winter for at least 6 hours each time.
> *Electric.* Having no electricity or all of the following three electric problems: exposed wiring; a room with no working wall outlet; and three blown fuses or tripped circuit breakers in the last 90 days.
> *Upkeep.* Having any five of the six maintenance problems listed above;
> *Hallways.* Having all of the four problems listed above in public areas.

Substandard housing units that are neither structurally feasible nor financially practical (i.e., cost effective) for repair and rehabilitation are considered as substandard housing unsuitable for rehabilitation and unsuitable for habitation by any in-need group.

Available data suggests that there are both moderate and severe physical problems in Montana's housing stock. Statewide, 8.5 percent of the stock lacks sufficient kitchen or bathroom facilities. Table 1.14, on the following page, depicts the condition of housing as it relates to incomplete kitchen and bathroom facilities on a detailed area basis. Several rural counties have an excess of 30 percent of their stock in substandard condition: Judith Basin (34.7 percent), Meagher (35.1 percent), and Mineral County (30 percent). Petroleum surpasses 27 percent, Phillips is nearly 23 percent, and Broadwater exceeds 20 percent. This implies that many of the structures throughout the rural portions of the State may require rehabilitation and repair.

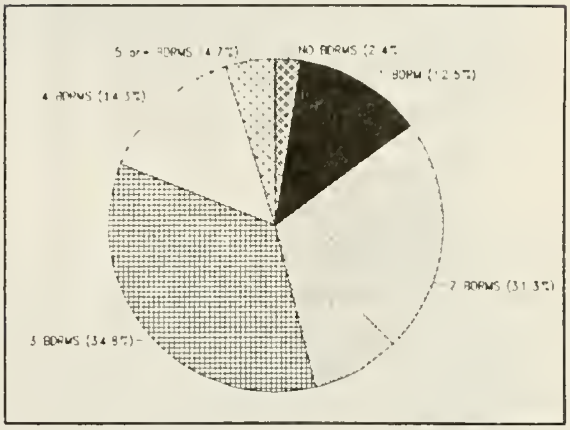
TABLE 1.14
MARKET AND INVENTORY CONDITIONS
CONDITION OF THE HOUSING UNITS

	KITCHEN FACILITIES		PLUMBING FACILITIES				
AREA NAME	COMPLETE	INCOMPLETE OR MISSING	OCCUPIED HOMES	OCCUPIED INCOMP. OR MISSING	VACANT HOMES	VACANT INCOMP. OR MISSING	TOTAL UNITS
Billings city	35 704	260	33 078	103	2 768	15	35 964
Bozeman city	9 105	12	8 735	16	361	5	9 117
Great Falls city	24 030	127	22 511	128	1 429	89	24 157
Helena city	10 908	38	10 293	23	626	4	10 946
Kalispell city	5,516	21	5 200	37	300	0	5 537
Missoula city	18 337	151	17 545	132	768	43	18 488
Bonner West Riverside CDP	720	0	661	0	59	0	720
Evergreen CDP	1 635	0	1 548	0	87	0	1 635
Helena Valley Northeast CDP	597	0	575	6	16	0	597
Helena Valley Northwest CDP	423	0	388	0	35	0	423
Helena Valley Southeast CDP	1 637	6	1 558	6	79	0	1 643
Helena Valley West Central CDP	2 281	0	2 198	7	76	0	2 281
Helena West Side CDP	773	6	725	6	48	0	779
Lockwood CDP	1,500	0	1 368	0	132	0	1,500
Lolo CDP	953	0	913	0	40	0	953
Malmstrom AFB CDP	1 496	0	1 415	0	81	0	1,496
Orchard Homes CDP	4 333	6	4 155	14	170	0	4 339
Sun Prairie CDP	451	0	410	0	41	0	451
Beaverhead County	3 899	229	3 177	34	740	177	4 128
Big Horn County	4 231	73	3 384	64	798	58	4,304
Blaine County	2 873	57	2 353	26	513	38	2,930
Broadwater County	1 538	55	1 261	19	248	65	1,593
Carbon County	4 675	153	3 262	7	1,427	132	4 828
Carter County	765	51	576	13	183	44	816
Cascade County	6,723	236	5 623	46	1,050	240	6,959
Chouteau County	2 594	74	2,064	0	545	59	2 668
Custer County	5 305	100	4 590	41	747	27	5,405
Daniels County	1 180	40	912	7	272	29	1 220
Dawson County	4,396	91	3 679	12	757	39	4,487
Deer Lodge County	4 743	87	4,028	32	701	69	4,830
Fallon County	1 486	39	1,164	2	344	15	1,525
Fergus County	5 652	80	4 589	14	1,041	88	5,732
Flathead County	19 494	313	15 818	231	3 582	176	19,807
Gallatin County	12 025	208	10,191	73	1,855	114	12 233
Garfield County	891	33	565	12	323	24	924
Glacier County	4,705	92	3 747	69	898	83	4,797
Golden Valley County	432	0	321	9	96	6	432
Granite County	1 838	86	1 033	18	755	118	1 924
Hill County	7,163	182	6 408	18	781	138	7,345
Jefferson County	3 199	103	2 829	38	361	74	3 302
Judith Basin County	1 180	166	890	18	286	152	1,346
Lake County	10,739	233	7 736	78	2,962	196	10,972
Lewis and Clark County	4 582	161	2 823	41	1 738	141	4 743
Liberty County	959	48	780	8	177	42	1 007
Lincoln County	7 691	311	6 539	129	1 141	193	8,002
Madison County	3,811	91	2 329	58	1 446	69	3 902
McCone County	1 096	65	842	2	283	34	1,161
Meagher County	1,076	183	690	19	357	193	1 259
Mineral County	1,528	107	1 260	22	247	108	1 635
Missoula County	8 874	92	7 284	78	1,561	43	8 966
Musselshell County	2 110	73	1 600	61	502	20	2 183
Park County	6 832	140	5 603	40	1 195	134	6,972
Petroleum County	270	23	203	6	61	23	293
Phillips County	2 554	211	1 898	33	645	189	2 765
Pondera County	2 599	19	2 210	36	360	12	2 618
Powder River County	1,011	85	781	24	236	55	1 096
Powell County	2 784	51	2 222	12	560	41	2 835
Prairie County	732	17	558	10	171	10	749
Ravalli County	10,789	310	9 596	102	1 183	218	11,099
Richland County	4 686	139	3 946	10	793	76	4 825
Roosevelt County	4 231	34	3 677	17	550	21	4 265
Rosebud County	4 191	60	3 436	43	759	13	4 251
Sanders County	4 213	122	3 316	81	830	108	4,335
Sheridan County	2 390	27	1 891	8	500	18	2 417
Silver Bow County	15 365	109	13 819	80	1 518	57	15 474
Stillwater County	3 192	99	2 519	4	656	112	3 291
Sweet Grass County	1 583	56	1 275	6	312	46	1 639
Teton County	2 632	93	2 321	8	334	62	2 725
Toole County	2 255	99	1 912	10	369	63	2 354
Treasure County	433	15	337	2	95	14	448
Valley County	5 168	136	3 256	12	1 896	140	5,304
Wheatland County	1 109	20	846	3	269	11	1,129
Wibaux County	562	1	452	2	109	0	563
Yellowstone County	11 205	112	10 109	31	1 104	73	11 317
Montana	354 638	6 517	303 806	2 357	50,338	4 654	361 155

HOUSING SIZE

Of the approximately 361,000 housing units in the State, most are two or three bedroom units. However, 2.4 percent have no bedrooms, and another 4.7 have five or more bedrooms. Diagram 1.11 graphically portrays the size of Montana's housing stock by number of bedrooms. Detailed area data is presented on the following page in Table 1.15.

DIAGRAM 1.11
UNITS BY NUMBER OF BEDROOMS



AFFORDABILITY AND COST BURDEN

In assessing whether or not there is affordable housing available in Montana, both income levels and housing costs have been inspected.[9] A monthly housing cost in excess of 30 percent of income constitutes a cost burden. Approximately 18.6 percent of Montana households (59,217) earn less than $10,000 annually, and 32.1 percent (98,548) earn less than $15,000. Therefore, a monthly housing cost in excess of $250 represents a cost burden to nearly one-fifth of Montana households, and payments over $375 would be a burden to nearly one-third. The following analysis examines the affordability of housing to renters by looking at the percentage of monthly income that would be required to make average rent and utility payments. Affordability for potential homeowners is examined by looking at the cash outlay and annual income required if monthly housing costs are to equal 30 percent of income, for average and low priced homes. These calculations are intended to indicate the typical costs. Costs and income requirements are shown for both conventional financing and Federal Housing Administration (FHA) or Farm Home Administration (FmHA) financing. These cost burdens and income requirements will then be compared to census information to see how many households in Montana can afford the average home.

Rent burden calculations were made by using 1990 Census figures for contract rent. For home buyers, the calculations for monthly payments and cash outlay at closing were made by using 1990 Census figures for the average asking prices of vacant for-sale housing units and applying formulas used by the banking industry, the FmHA, and the FHA. For conventional loans, cash outlay at closing includes a 10 percent down payment plus typical closing costs.[10] The Farm Home Administration (who makes loans in rural areas with populations of less than 10,000 people) estimates that there will be no cash outlay of closing down payment. They assume only typical Farm Home closing costs.[11] The FHA cash outlay at closing includes a 3 percent down payment plus 43 percent of the closing costs. The other 57 percent of the

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[9] Income and housing cost data taken from the 1990 Census -- U.S. Department of Commerce, Bureau of the Census.

[10] Typical closing costs estimated with the assistance of Colleen Cebula, First Interstate Bank of Missoula.

[11] Information on Farm Home Administration loans and typical closing costs provided by Peter Halvorson, Farm Home Administration Office, Hillsboro, Oregon; and Nikki Stahley, Farm Home Administration Office, Billings, Montana.

TABLE 1.15
MARKET AND INVENTORY CONDITIONS
SIZE OF HOUSING UNITS BY NUMBER OF BEDROOMS

AREA NAME	OCCUPIED UNITS BY NUMBER OF BEDROOMS 0	1	2	3	4	5 +	VACANT UNITS BY NUMBER OF BEDROOMS 0	1	2	3	4	5 +	TOTAL UNITS
Billings city	647	3835	10562	9981	6160	1996	105	642	1243	590	129	74	35984
Bozeman city	253	1392	3508	2041	1194	363	20	133	134	62	17	0	9117
Great Falls city	691	2939	7022	6871	3852	1264	141	469	513	267	109	19	24157
Helena city	289	1608	3241	2786	1751	641	49	196	229	109	32	15	10946
Kalispell city	140	1036	1683	1445	767	166	30	30	155	80	0	5	5537
Missoula city	821	3346	5812	4622	2293	783	68	268	226	190	41	18	18488
Bonner West Riverside CDP	7	79	283	251	22	19	0	14	28	17	0	0	720
Evergreen CDP	26	104	665	587	154	12	0	0	36	51	0	0	1635
Helena Valley Northeast CDP	0	8	129	322	117	5	4	0	7	5	0	0	597
Helena Valley Northwest CDP	0	7	45	209	101	26	0	6	6	17	6	0	423
Helena Valley Southeast CDP	8	39	477	771	240	29	0	0	32	36	11	0	1643
Helena Valley West Central CDP	0	57	449	984	526	189	0	16	27	22	6	5	2281
Helena West Side CDP	7	43	333	250	48	50	0	15	23	10	0	0	779
Lockwood CDP	7	61	456	580	194	70	3	25	45	45	14	0	1500
Lolo CDP	14	11	230	478	128	52	0	0	18	18	4	0	953
Malmstrom AFB CDP	0	20	322	848	216	9	0	0	0	81	0	0	1496
Orchard Homes CDP	48	389	1549	1380	590	213	0	37	133	0	0	0	4339
Sun Prairie CDP	0	0	84	217	74	35	0	0	5	36	0	0	451
Beaverhead County	85	372	951	1135	420	248	145	227	298	170	50	27	4128
Big Horn County	22	266	1020	1524	454	162	61	179	307	267	31	11	4304
Blaine County	13	208	632	973	393	160	29	115	204	150	30	23	2930
Broadwater County	8	126	337	537	196	76	18	119	98	60	16	2	1593
Carbon County	10	302	1100	1262	461	134	70	303	565	455	126	40	4828
Carter County	2	36	185	263	76	27	3	39	110	60	7	8	816
Cascade County	48	385	1779	2400	784	273	76	299	469	352	85	9	6959
Chouteau County	0	152	560	824	413	115	9	138	220	162	65	10	2668
Custer County	72	525	1445	1579	772	238	70	189	284	184	37	10	5405
Daniels County	0	64	227	370	194	64	3	55	135	78	25	5	1220
Dawson County	21	267	917	1486	775	225	0	151	325	254	47	19	4487
Deer Lodge County	46	635	1423	1314	495	147	45	274	256	169	19	7	4830
Fallon County	0	84	275	503	228	76	2	90	115	115	31	6	1525
Fergus County	31	432	1471	1793	598	278	60	228	417	292	67	65	5732
Flathead County	129	1345	4990	6575	2389	621	288	730	1452	1025	221	42	19807
Gallatin County	138	729	2731	4289	1820	557	207	303	621	655	121	62	12233
Garfield County	1	49	156	235	84	52	4	87	150	95	8	3	924
Glacier County	61	437	1109	1427	578	204	57	289	339	176	87	33	4797
Golden Valley County	0	15	105	128	54	28	1	7	43	37	10	4	432
Granite County	5	159	328	358	116	85	78	280	340	103	37	35	1924
Hill County	167	661	1831	2162	1129	476	82	219	274	270	56	18	7345
Jefferson County	47	234	792	1218	458	118	50	95	165	105	15	5	3302
Judith Basin County	4	80	225	383	152	64	26	115	157	102	23	15	1346
Lake County	66	870	2342	2850	1375	311	153	633	1130	828	307	107	10972
Lewis and Clark County	33	271	925	1084	443	108	127	339	624	580	171	38	4743
Liberty County	5	54	202	304	168	55	2	46	78	68	15	10	1007
Lincoln County	96	784	2043	2614	932	199	155	302	487	286	80	24	8002
Madison County	30	218	754	1009	230	146	252	316	440	363	84	80	3902
McCone County	0	27	184	357	211	65	14	47	140	84	23	9	1161
Meagher County	12	71	232	251	98	45	126	133	175	82	24	10	1259
Mineral County	8	158	434	502	122	58	65	143	91	35	13	6	1635
Missoula County	69	435	1961	3282	1219	396	52	176	528	592	219	37	8966
Musselshell County	27	197	533	620	196	88	10	84	234	159	30	5	2183
Park County	99	636	1867	1950	800	291	211	215	442	373	66	22	6972
Petroleum County	5	8	77	90	18	11	2	17	54	5	4	2	293
Phillips County	29	162	593	694	308	145	117	202	279	156	56	24	2765
Pondera County	19	178	649	848	421	131	7	65	128	129	29	14	2618
Powder River County	0	30	231	375	111	58	15	75	104	85	8	4	1096
Powell County	24	198	683	968	267	94	61	140	200	146	42	12	2835
Prairie County	0	38	176	218	107	29	0	38	54	57	19	13	749
Ravalli County	105	933	3140	4065	1108	327	122	407	454	328	81	9	11099
Richland County	5	203	1035	1624	762	327	14	189	430	175	56	5	4825
Roosevelt County	34	289	818	1675	723	155	7	104	170	204	71	15	4265
Rosebud County	16	185	1059	1646	411	162	35	113	271	312	41	0	4251
Sanders County	58	377	1192	1277	387	106	124	256	279	209	48	22	4335
Sheridan County	15	129	491	774	387	103	21	90	188	150	50	19	2417
Silver Bow County	219	2093	4479	4749	1792	567	78	586	503	326	46	36	15474
Stillwater County	18	224	682	1121	342	136	78	207	236	202	45	0	3291
Sweet Grass County	8	124	370	458	233	88	50	101	121	63	13	10	1639
Teton County	55	201	644	893	424	112	38	89	130	117	15	7	2725
Toole County	31	227	483	782	276	123	3	104	211	93	14	7	2354
Treasure County	2	22	88	174	42	11	0	22	49	32	4	2	448
Valley County	11	340	760	1394	518	245	24	251	496	985	260	20	5304
Wheatland County	5	86	267	274	165	52	2	77	81	88	26	6	1129
Wibaux County	1	36	119	193	72	33	0	14	56	30	6	3	563
Yellowstone County	23	615	2685	4358	1787	672	20	148	505	413	82	9	11317
Montana	4996	32956	93837	110854	47921	15799	3789	12111	19572	14727	3611	1182	361155

closing costs and the required mortgage insurance costs are added to the loan amount.[12] The monthly payments for all of the loans are based on a 30-year, 9 percent fixed-rate loan plus taxes and insurance. Average utility costs of $101 per month for a two-bedroom, multifamily unit with electric heat have been added to rent cost to calculate cost burden for rental units. Average utility costs of $125 for a single-family, three-bedroom home with gas heat have been added to the monthly mortgage payments to calculate income requirements for homeowners.[13]

AFFORDABILITY FOR RENTERS

Low-income renters in Montana's rural areas are less likely to experience severe cost burden than low-income renters in Montana's major cities. Households earning $10,000 or less annually would be paying at least 52 percent of their income to occupy the average housing unit in the major cities. This constitutes a burden far in excess of the 30 percent standard. Similarly, in the census designated places, a household with a $10,000 annual income would have to use 55 percent of their income to rent the average housing unit. The situation for that income group is of particular concern in the Sun Prairie CDP, where the renter cost burden is highest, at 65 percent for the average rental housing unit.

TABLE 1.16
AFFORDABILITY OF AVERAGE RENTAL UNITS

AREA	MONTHLY RENT $	PERCENT OF INCOME $10,000	PERCENT OF INCOME $15,000
Sun Prairie CDP Average	543	65%	43%
City Average	436	52%	35%
CDP Average	461	55%	37%
Rural Average	331	40%	26%

Table 1.16, above, illustrates the cost burden of average priced rental units in cities, CDPs, and the remaining rural areas. As that table shows, average rent in the rural areas is lower than in urban areas, but it still presents a cost burden of 40 percent to a householder with $10,000 in income. Even for a household with a $15,000 annual income, the cost burden is over 30 percent for all but the rural areas. Although the cost burden is not severe for that group, the important questions for those rural areas become if there are enough rental units available, if they have adequate kitchen and plumbing facilities, and whether or not they are maintained at or above minimum health and safety standards.

While the above analysis focused on whether low-income households could afford average rents, another question should also be examined. What portion of the population cannot afford the "average rent"?[14] Table 1.17, below, illustrates average rents, the income needed to pay

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[12] FHA loan information and typical closing cost estimates provided by Jeff McKinnen, First Interstate Bank, Portland, Oregon; and Charlene of American Federal Savings & Loan, Butte, Montana.

[13] Section 8 Utility Allowances, revised October 1992.

[14] Average rent computed from the number of rental units in each rent cost category and the midpoint of the rent category, as reported in the 1990 Census, plus utility costs used in the Section 8 Housing Utility Allowance Program (revised October 1992).

TABLE 1.17
INCOME NEEDED TO PAY THE AVERAGE RENT

AREA	MONTHLY RENT	INCOME NEEDED	% HH WITH > $15,000 INCOME
City Average	436	$17,440	33%
CDP Average	461	$18,440	26%
Rural Average	331	$13,240	32%

that average, and the percent of households with an income below $15,000. As this table demonstrates, 26 to 33 percent of the population does not have the income to afford the average rent. Furthermore, there is wide disparity between urban and rural costs and cost burdens. Data demonstrating the degree of difference between the various regions throughout the State is presented in Table 1.18, on the following two pages. This data portrays the number of households in each area that fall within a particular rent level category.

AFFORDABILITY FOR HOME BUYERS

What holds true for renters is generally true for the first time-home buyer in Montana. The cost of buying a home in rural Montana is less than it is in the cities and CDPs, although there is some disparity among rural areas in the average values of vacant, for sale homes. Table 1.19, below, shows the average values for homes in cities, census designated places, the remaining rural areas, and in Gallatin County which had the highest average home value in Montana (according to the 1990 Census). Those average values are then used to show the costs to first-time home buyers who are able to use conventional financing. Recognizing that many first-time buyers cannot come up with the cash that is required at closing to utilize conventional financing, Table 1.19 gives some examples of the cash and income requirements for both Farm Home and FHA financing.

TABLE 1.19
INCOME NEEDED TO PAY THE MONTHLY HOUSE PAYMENT
ASSUMES 9 PERCENT FIXED RATE MORTGAGE

AREA	PURCHASE PRICE	DOWN PAYMENT	MONTHLY PAYMENT	MINIMUM INCOME NEEDED	% HH WITH INCOME > $26,000
Gallatin County	$82,600	$11,160	$886	$36,400	
City Average	$67,700	$9,290	$760	$30,000	53.3%
CDP Average	$60,800	$8,420	$690	$27,600	50.0%
Rural Average	$49,000	$6,930	$580	$23,200	54 6
Farm Home Financing	$26,000	$1,010	$380	$16,200	
	$40,000	$1,170	$520	$20,800	
	[illegible]0,000	$1,310	$815	$24,600	
FHA Financing	[illegible],000	$1,800	$540	$21,600	
	[illegible]50,000	$2,300	$640	$26,600	
	$60,000	$2,700	$740	$29,600	

TABLE 1.18
MARKET AND INVENTORY CONDITIONS OF THE POPULATION
RENTAL UNITS BY PRICE RANGE (MONTHLY DOLLARS)

AREA NAME	< 100	100-149	150-199	200-249	250-299	300-349	350-399	400-449	450-499	500-549	550-599	600-649	650-699	700-749	750-999	>1000	0 RENT
Billings city	288	577	783	1,315	1,550	1,947	2,039	1,408	834	593	527	201	112	109	168	125	264
Bozeman city	78	142	290	585	918	730	847	840	397	302	158	109	54	82	25	7	77
Great Falls city	403	733	786	868	1,064	1,323	1,115	736	470	286	161	100	67	67	41	26	157
Helena city	178	284	265	528	652	763	558	388	288	234	97	73	21	37	30	6	71
Kalispell city	87	217	185	238	287	341	359	212	122	102	49	28	16	0	24	62	63
Missoula city	157	368	556	1,247	1,449	1,253	1,201	862	605	408	262	170	37	57	73	18	155
Bonner West Riverside CDP	0	0	12	52	68	36	58	14	25	14	0	0	0	0	0	0	4
Evergreen CDP	4	0	28	49	81	72	65	37	16	47	12	2	0	0	0	0	19
Helena Valley Northeast CDP	0	0	0	4	0	14	0	0	22	8	0	0	0	0	0	0	0
Helena Valley Northwest CDP	0	0	0	0	0	0	13	0	5	0	0	0	9	0	0	0	5
Helena Valley Southeast CDP	0	7	14	16	54	28	15	23	15	8	0	29	0	6	0	0	6
Helena Valley West Central CDP	0	0	0	14	0	64	86	22	28	14	37	8	3	3	0	0	18
Helena West Side CDP	0	0	6	15	7	35	8	26	7	7	6	0	0	0	0	0	17
Lockwood CDP	13	0	15	0	26	58	36	16	38	34	11	12	0	0	0	0	17
Lolo CDP	0	0	8	6	41	16	51	18	9	18	9	8	0	0	0	0	10
Malmstrom AFB CDP	6	0	0	15	32	229	260	160	21	38	6	16	7	7	6	0	520
Orchard Homes CDP	7	12	16	138	302	233	263	247	218	65	28	23	9	7	13	0	43
Sun Prairie CDP	0	0	0	4	0	0	7	0	13	0	0	5	0	0	0	0	0
Beaverhead County	69	66	121	133	206	135	67	46	0	17	15	4	0	0	0	0	174
Big Horn County	21	82	157	239	128	84	66	122	11	23	13	5	0	0	0	0	138
Blaine County	29	67	126	118	82	88	42	25	19	8	2	0	0	2	0	0	176
Broadwater County	11	14	26	25	44	19	40	13	7	6	8	4	0	0	0	0	55
Carbon County	17	38	51	94	118	90	72	40	30	17	3	4	1	2	0	0	109
Carter County	0	6	10	10	17	0	2	2	2	0	0	0	0	0	0	0	43
Cascade County	26	63	67	122	161	106	108	46	48	21	15	10	5	0	6	0	124
Chouteau County	10	22	58	48	55	54	25	26	14	4	7	0	2	0	0	0	138
Custer County	40	72	177	269	252	169	151	76	47	54	8	0	0	5	0	0	90
Daniels County	7	16	20	29	12	7	11	2	1	11	0	0	0	0	0	0	34
Dawson County	16	67	146	144	121	102	141	62	13	6	13	0	0	11	0	7	81
Deer Lodge County	81	146	253	135	184	71	47	41	15	7	0	0	0	0	0	0	93
Fallon County	26	9	36	31	35	29	13	4	11	7	2	2	0	0	0	0	35
Fergus County	37	66	144	190	145	195	87	79	29	6	2	0	4	0	0	0	123
Flathead County	66	121	185	329	409	588	432	296	285	116	128	50	64	18	81	0	321
Gallatin County	47	63	86	186	235	401	289	256	142	88	88	70	23	44	26	11	191
Garfield County	0	0	6	7	27	16	0	2	0	2	0	0	0	0	0	0	59
Glacier County	65	116	224	165	181	178	61	87	75	42	6	6	11	2	4	0	145
Golden Valley County	0	0	0	17	7	0	4	1	0	0	0	0	0	0	0	0	18
Granite County	16	7	20	43	45	19	13	4	6	0	0	0	2	0	0	0	64
Hill County	69	108	247	343	313	284	264	217	102	53	25	28	13	4	0	4	186
Jefferson County	24	26	46	49	71	85	58	31	10	13	6	0	2	0	7	0	88
Judith Basin County	2	14	16	22	30	14	7	5	0	0	0	0	0	2	0	0	59
Lake County	118	224	167	324	295	287	161	114	56	42	8	21	0	0	0	0	282
Lewis and Clark County	8	18	30	65	60	80	81	28	33	16	13	11	0	2	0	0	56
Liberty County	7	12	17	21	24	14	15	12	2	3	3	0	0	0	0	0	51
Lincoln County	60	97	167	183	374	224	186	86	35	35	15	1	8	0	2	0	149
Madison County	9	25	32	56	55	71	52	68	13	4	6	0	0	11	5	0	120
McCone County	2	3	2	15	28	20	8	10	4	1	0	2	0	2	0	0	33
Meagher County	6	8	17	23	13	31	10	9	3	0	0	0	0	0	0	1	54
Mineral County	3	26	17	61	47	34	26	12	6	2	7	2	2	0	0	2	35

TABLE 1.18 Continued
MARKET AND INVENTORY CONDITIONS OF THE POPULATION
RENTAL UNITS BY PRICE RANGE (MONTHLY)
(IN DOLLARS)

AREA NAME	< 100	100-149	150-199	200-249	250-299	300-349	350-399	400-449	450-499	500-549	550-599	600-649	650-699	700-749	750-999	> 1000	0 RENT
Missoula County	0	26	29	109	129	162	173	100	20	129	46	7	10	0	25	0	136
Musselshell County	16	47	8	47	49	61	9	17	7	2	0	0	0	0	0	0	49
Park County	34	123	134	187	261	236	176	122	77	40	39	10	0	14	10	0	187
Petroleum County	0	0	0	0	8	5	0	0	0	0	0	0	0	0	0	0	18
Phillips County	33	34	56	51	74	43	45	45	16	6	6	4	2	0	0	0	109
Pondera County	19	18	57	106	71	105	29	15	26	11	3	1	0	0	0	0	137
Powder River County	0	2	12	17	14	15	23	5	3	2	0	0	0	0	0	0	57
Powell County	8	25	108	108	99	71	29	32	23	4	0	0	0	0	0	0	77
Prairie County	7	3	9	18	20	5	2	0	0	0	0	2	0	0	0	0	26
Ravalli County	26	99	181	276	276	330	226	189	100	104	32	16	11	9	0	6	207
Richland County	28	94	138	104	197	175	90	57	34	31	4	0	8	0	0	0	99
Roosevelt County	15	70	185	168	180	176	109	52	70	45	8	6	2	4	4	0	164
Rosebud County	41	95	78	133	86	95	117	45	33	37	30	0	26	0	0	0	163
Sanders County	17	54	108	141	74	109	48	22	17	6	2	0	3	0	0	0	131
Sheridan County	16	15	31	83	55	48	24	19	9	0	10	15	1	0	0	2	67
Silver Bow County	242	475	527	506	544	562	440	268	161	79	30	4	0	0	0	0	192
Stillwater County	32	20	25	84	81	79	62	44	19	15	7	3	2	0	0	0	83
Sweet Grass County	9	23	28	51	39	42	15	3	5	3	6	1	0	0	0	0	54
Teton County	22	26	54	65	70	47	38	27	25	7	5	7	0	0	0	0	78
Toole County	32	45	77	72	44	47	54	38	1	9	14	0	0	0	0	0	72
Treasure County	2	5	14	2	4	3	0	2	3	0	0	0	0	0	0	0	26
Valley County	44	53	80	117	171	87	66	25	50	26	15	0	6	0	0	0	92
Wheatland County	6	20	15	29	17	7	10	5	3	0	0	0	0	0	0	0	43
Wibaux County	2	19	16	7	9	11	13	1	0	0	0	0	0	0	0	0	29
Yellowstone County	36	109	143	187	278	232	225	170	125	48	20	9	8	7	35	0	255
Montana	2,862	5,449	7,767	11,280	13,129	13,364	11,422	7,941	4,991	3,401	2,056	1,094	551	494	585	277	7,243

In the rural regions of eastern and north central Montana, where the vacancy rates are high, the average asking price for a vacant, for sale home was under $26,000 at the time of the 1990 Census.[15] At this rate, a household income of approximately $15,200 would make a home in those areas affordable if the potential home buyer is able to take advantage of Farm Home financing. In those rural areas, rather than income being a limiting factor, the condition of the $26,000 home and whether it would qualify for any type of financing appears to be a crucial limitation.

In the rural regions of south central and southwestern Montana, which have relatively high vacancy rates, an average home was reported to be valued at about $50,000 in 1990. An annual household income of approximately $24,000 to $25,600 (depending on the type of financing available) would generally make a home affordable in these regions. The average asking price of a vacant, for sale home in rural western Montana is generally higher than other rural areas of the State. In those higher-cost areas, the asking prices were $60,000 or more, requiring a minimum household income of approximately $27,000 to $30,000, depending on the type of financing available.

In the CDPs, the average home value was reported to be approximately $60,800 in the 1990 census. With conventional financing, the minimum income required to buy that $60,800 home is $27,600. Average home value in the major cities is approximately $67,700, requiring a minimum annual income of approximately $30,000 if using conventional financing. The major cities have comparatively low vacancy rates ranging from 4.0 percent to 10.2 percent as opposed to the rural range of 17.3 percent to 22 percent. This indicates a higher demand for housing in the cities and supports the higher cost of housing in those areas.

It is important to note that while mortgage rates appear affordable to many, especially since interest rates have fallen to as low as 6.5 to 7 percent, one can no longer use Census figures for an accurate value of housing sales costs.[16] Another difficultly relates to the ability to save for a down payment,, which can be a prohibitive factor, especially for conventional financing. While the down payment requirements are lower for FHA financing, the monthly payments and minimum income requirements are higher due to the larger loan amounts. Also important to note is that the banking industry calculations for minimum income requirements are based on a standard that the total of the principle, interest, property tax, and insurance payments can not exceed 28 percent of gross income. It is also a standard requirement that total monthly obligations (including automobile and credit card payments) not exceed 36 percent of gross income.[17] For those households whose other monthly obligations exceed 8 percent of gross income, their minimum income required to purchase a home will be higher than indicated in

[15]The term "asking price" and "home value" are synonymous in this discussion.

[16] It is the opinion of the Montana Board of Housing that housing prices have increased faster than interest rates have fallen, thereby leading to a slowdown in the provision of affordable housing to Montanans and further affordability problems for home buyers.

[17]Colleen Cebula, First Interstate Bank of Missoula.

Table 1.19. All area cost values for owner-occupied homes is presented in Table 1.20, on the next two pages.

Table 1.19 also lists that portion of total households which earn less than $25,000 annually. Examining the incomes required if housing costs are not to exceed 30 percent of income, we see that purchasing a home through conventional financing is out of the reach of over half of the people in the cities and CDPs. Purchasing a low-priced home becomes more affordable through the use of Farm Home or FHA financing and in the rural areas of the State. However, the question again becomes one of whether or not these low-priced (and typically rural) homes are in a condition that will allow them to qualify for financing.

HOUSING DEMAND AND SUPPLY

Three housing availability issues are of concern for Montana. The first is the availability of rental units, especially low-cost units. The second issue is the availability of homes which meet the criteria for loan assistance and mortgage insurance. The third availability issue is the number of affordable homes on the market for low- and moderate-income people.

In regard to the first issue, there were approximately 34,601 low-rent units (units which cost no more than $250 per month) in Montana at the time of the 1990 Census. Approximately 11,389 low-rent units are federally assisted, and the waiting list for publicly assisted units numbers 6,285. The supply of low-rent and/or assisted units does not meet the demand. There is a great disparity between the number of households earning less than $10,000 and the actual number of low-rent units.

The second issue is the availability of homes which meet the criteria for loan assistance and mortgage insurance. It is true that the housing market is tight in some areas of the State, particularly in the major cities. However, in the rural areas of the State where vacancy rates are higher (particularly in the eastern region), the issue becomes more complicated by one of housing condition. In many instances, the poor condition of the vacant homes preclude the use of federal mortgage insurance programs. Without these programs, homes are not easily financed and are consequently out of reach for many potential home buyers. The result is a diminished supply of affordable homes.

TABLE 1.20

MARKET AND INVENTORY CONDITIONS OF THE POPULATION

VALUE OF OWNER OCCUPIED HOUSING UNITS

(IN THOUSANDS OF DOLLARS)

AREA NAME	LESS THAN 16	16 to 20	20 to 26	26 to 30	30 to 36	36 to 40	40 to 46	46 to 60	60 to 60	60 to 76	76 to 100	100 to 126	126 to 160	160 to 176	176 to 200	200 to 260	260 to 300	300 to 400	400 to 600	600 OR MORE
Billings city	174	129	248	344	534	544	978	1,175	3,308	4,341	3,198	858	410	160	128	113	40	33	0	0
Bozeman city	0	9	17	29	48	59	112	139	395	923	588	121	59	54	21	0	11	0	0	0
Great Falls city	148	119	198	242	398	858	734	852	2,490	3,078	1,975	440	242	125	68	68	17	0	0	0
Helena city	33	25	28	85	110	194	287	359	982	1,283	981	215	120	40	19	9	5	0	0	6
Kalispell city	15	47	43	91	111	143	231	245	522	802	310	100	20	16	0	0	0	0	0	0
Missoula city	52	8	45	44	244	298	447	548	1,489	2,058	1,457	329	182	82	39	41	47	6	0	0
Bonner West Riverside CDP	7	8	28	19	41	22	13	22	5	8	18	0	0	0	0	0	0	0	0	0
Evergreen CDP	17	0	8	18	27	15	30	80	144	134	27	14	0	4	0	0	0	0	0	0
Helena Valley Northeast CDP	0	0	0	0	0	0	8	13	80	74	32	21	18	0	0	0	0	0	0	0
Helena Valley Northwest CDP	0	0	0	0	0	0	22	42	44	71	11	8	8	0	0	0	0	0	0	0
Helena Valley Southeast CDP	8	0	5	0	12	8	80	108	234	137	59	12	0	0	0	0	0	0	0	0
Helena Valley West Central CDP	0	0	7	15	12	5	30	38	243	405	329	37	24	0	0	0	0	0	0	0
Helena West Side CDP	8	0	0	18	0	19	82	23	45	50	50	18	17	0	0	0	0	0	0	0
Lockwood CDP	0	11	0	43	20	39	84	81	151	137	25	7	0	0	0	0	0	0	0	0
Lolo CDP	0	0	0	0	0	5	19	54	174	148	113	4	4	0	0	0	0	0	0	0
Malmstrom AFB CDP	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0
Orchard Homes CDP	12	0	8	38	28	28	51	86	318	482	438	79	81	21	17	0	0	0	0	0
Sun Prairie CDP	0	0	8	0	0	14	17	8	58	44	48	8	4	0	0	0	0	0	0	0
Beaverhead County	43	11	72	44	57	70	84	128	198	247	182	35	35	17	0	8	0	0	0	0
Big Horn County	139	98	65	82	108	118	185	87	174	137	84	0	0	0	0	2	0	0	0	0
Blaine County	68	48	59	68	94	83	82	58	122	101	80	9	0	0	0	0	0	0	0	0
Broadwater County	14	10	27	25	49	63	77	44	81	78	48	3	7	2	4	0	0	0	0	0
Carbon County	74	33	103	107	94	88	112	112	164	177	154	37	22	32	0	12	5	1	0	0
Carter County	41	11	15	9	15	4	10	4	8	4	2	2	0	0	0	0	0	0	0	0
Cascade County	121	82	75	144	105	90	198	95	313	393	331	151	57	38	25	11	7	19	0	0
Chouteau County	54	43	53	65	58	52	48	44	88	115	42	15	4	8	0	0	6	0	0	2
Custer County	296	214	158	188	233	209	230	139	220	238	98	50	23	15	0	0	0	0	0	0
Daniels County	91	32	28	58	45	13	24	30	38	44	18	0	4	0	0	0	0	0	0	0
Dawson County	200	141	133	187	155	158	148	115	227	183	110	24	8	0	8	0	0	0	0	0
Deer Lodge County	280	220	224	288	284	183	240	171	207	185	154	8	7	0	0	0	0	0	0	3
Fallon County	85	39	43	31	50	41	38	54	40	56	33	0	0	0	0	0	0	0	0	0
Fergus County	148	102	114	192	157	199	167	128	254	238	107	52	31	0	5	0	0	0	0	0
Flathead County	88	79	93	142	224	252	442	415	848	1,536	1,480	534	332	186	88	152	81	16	5	19
Gallatin County	32	21	88	84	87	128	157	228	499	928	1,008	341	187	165	30	71	54	8	0	0
Garfield County	28	14	8	10	10	9	8	8	14	13	7	0	0	0	0	0	0	0	0	0
Glacier County	132	43	70	112	71	113	158	144	185	181	112	10	12	0	8	0	0	0	4	4
Golden Valley County	18	18	13	15	11	7	11	4	11	8	4	0	0	0	0	0	0	0	0	0
Granite County	34	48	42	31	38	23	35	30	25	58	23	7	0	0	0	0	4	0	0	8
Hill County	90	118	121	138	174	137	276	220	392	472	444	72	47	4	11	0	0	0	0	0
Jefferson County	22	33	28	42	70	89	100	85	108	253	288	85	27	8	9	9	0	0	0	0
Judith Basin County	45	25	37	19	24	18	19	10	27	31	10	0	0	0	0	0	0	0	0	0
Lake County	47	89	125	82	145	135	237	193	358	520	454	184	135	49	55	65	21	13	8	11
Lewis and Clark County	53	15	25	98	57	88	87	104	208	238	171	87	7	8	7	13	0	0	0	0
Liberty County	18	20	30	24	24	9	33	8	24	31	38	11	2	0	0	0	0	0	0	0
Lincoln County	88	90	100	152	221	285	300	220	435	482	241	57	45	8	10	0	0	2	0	0
Madison County	30	28	12	25	14	48	48	51	132	142	131	40	18	5	8	4	0	5	0	0

TABLE 1.20 Continued
MARKET AND INVENTORY CONDITIONS OF THE POPULATION
VALUE OF OWNER OCCUPIED HOUSING UNITS
(IN THOUSANDS OF DOLLARS)

AREA NAME	LESS THAN 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 to 60	60 to 75	75 to 100	100 to 125	125 to 150	150 to 175	175 to 200	200 to 250	250 to 300	300 to 400	400 to 500	500 OR MORE
McCone County	58	28	22	22	30	17	31	7	18	18	17	7	0	0	0	0	0	0	0	0
Meagher County	19	31	27	10	28	33	17	17	34	24	14	9	0	0	0	2	0	0	0	0
Mineral County	25	31	17	30	38	37	54	37	45	68	28	18	1	0	0	0	0	0	0	0
Missoula County	19	21	62	31	36	130	164	188	426	696	762	240	191	108	29	47	17	0	7	0
Musselshell County	126	66	60	61	50	80	62	22	60	42	16	6	2	0	0	2	0	0	0	0
Park County	44	74	72	164	187	227	264	174	300	310	239	111	20	12	0	0	0	0	9	0
Petroleum County	33	3	2	2	2	8	4	4	2	2	0	0	0	0	0	0	0	0	0	0
Phillips County	114	39	43	44	61	48	42	27	119	96	69	9	2	0	0	0	2	0	0	0
Pondera County	83	41	62	62	94	122	76	66	116	142	70	21	11	0	0	0	6	0	2	0
Powder River County	10	7	11	10	16	12	12	6	20	37	11	0	2	0	0	0	0	0	0	0
Powell County	66	38	82	89	93	81	120	92	129	121	49	6	17	0	0	0	0	0	0	0
Prairie County	99	29	21	26	18	9	6	4	16	12	4	0	0	0	0	0	0	0	0	0
Ravalli County	30	48	81	96	196	209	273	224	626	843	686	213	76	26	31	20	4	0	0	0
Richland County	216	86	104	89	130	139	143	106	270	263	177	16	0	8	10	0	0	0	0	0
Roosevelt County	134	72	110	108	169	126	166	110	166	198	99	18	1	2	0	0	0	0	0	0
Rosebud County	86	49	39	62	64	81	99	36	212	292	163	24	0	0	0	0	0	0	0	6
Sanders County	70	68	97	82	112	81	73	127	127	147	66	18	6	1	0	3	2	0	0	0
Sheridan County	116	64	63	64	81	69	80	41	81	96	80	16	0	4	2	3	0	0	0	0
Silver Bow County	769	460	474	560	646	683	817	666	928	1,017	979	338	94	34	26	22	6	0	0	6
Stillwater County	22	19	31	27	63	66	72	66	199	201	142	32	19	7	0	0	0	0	0	3
Sweet Grass County	26	12	26	21	39	66	40	63	68	81	62	17	3	6	0	0	0	0	0	0
Teton County	61	40	63	66	68	93	79	66	184	116	80	16	6	0	0	0	0	0	0	0
Toole County	133	43	60	48	88	100	66	76	99	104	61	0	7	0	0	0	0	0	0	6
Treasure County	9	11	10	9	16	13	13	8	9	6	6	0	0	0	0	0	0	0	0	0
Valley County	249	82	123	86	164	161	134	126	147	147	96	12	2	0	3	0	0	2	0	0
Wheatland County	82	66	43	39	62	32	31	12	28	11	17	2	0	0	0	0	0	0	0	0
Wibaux County	36	9	8	17	16	12	10	4	19	6	2	2	0	0	0	2	0	0	0	0
Yellowstone County	86	76	113	166	182	269	332	467	639	987	892	333	101	90	46	67	23	0	6	3
Montana	6,616	3,603	4,460	6,434	6,919	7,696	9,764	9,466	21,126	27,204	20,204	6,671	2,719	1,319	700	746	339	107	39	76

The third availability issue is the shortage of affordable homes on the market for low- and moderate-income people. This is of particular concern in the major western Montana cities, which tend to have the lowest vacancy rates in the State and the highest home values (according to the 1990 Census). Where the market is tight and prices are escalating, it is becoming increasingly difficult for low- and middle-income people to purchase homes.

To get an overall picture of the availability of housing units, Table 1.21, below, combines data on both rental and owner-occupied housing. This table uses the 1990 Census information on rental units by price range and value of owner-occupied housing units. The table

TABLE 1.21
AVAILABILITY OF RENTAL UNITS AND FOR-PURCHASE HOMES
COMPARED TO NEED

AREA	NUMBER OF RENTAL UNITS > $300	NUMBER OF HOMES > $35,000	TOTAL UNITS	HH WITH INCOMES > $15,000	NET SHORTAGE
City Average	17,878	3,611	21,489	32,047	10,558
CDP Average	1,736	414	2,149	4,250	2,101
Rural Average	28,117	21,996	50,113	62,251	12,138
TOTAL	47,730	26,021	66,508	98,548	24,797

adds the number of rental units available for under $300 and homes valued at less than $35,000. This number of housing units is then compared to the number of households earning less than $15,000. The lack of available housing can be seen in the last column. Overall, these numbers point to a large gap between the demand for housing and the supply of affordable housing, perhaps as high as 25,000 units.

ASSISTED RENTAL HOUSING LOSSES

The State of Montana feels that prospective losses to the stock of assisted rental units could occur in two ways. Fair market rents (FMR) were recently revised. The new values are significantly lower than earlier FMRs. Market rents in many jurisdictions around the State are higher than the new proposed rents. Therefore, owners of properties having Section 8 certification may elect to turn to the open market, thereby securing higher rents for their properties.

The second aspect to prospective losses to the stock of assisted rental units through the successful conversion of public housing to private ownership, via the public housing resident initiates. In the event that the public stock is not replaced, for any reason, some public rental units could be lost.

LEAD-BASED PAINT HAZARDS

Homeowners and renters in the county face other prospective hazards; one of greatest concerns relates to lead-based paint. All homes built prior to 1980 have some chance of containing lead-based paint on interior or exterior surfaces. Housing units built before 1940, which make up nearly 22 percent of the housing units in Montana, are much more likely to contain lead-based paint than newer homes.

One can compute an estimate of the number of units at risk for lead-based paint. According to HUD estimates, 90 percent of units built before 1940, 80 percent of those built between 1940 and 1959, and 62 percent of units built from 1960 to 1979 may have lead-based paint. This computation was applied to all units (occupied and vacant), and is portrayed in Table 1.22, on the previous page. As seen, there are over 220,000 units Statewide that are potentially at risk for lead-based paint hazard. However, there are two additional factors that place a dwelling most at risk: tenure (rented or owned) and the income of the household.

HUD prepared special tabulations of data for the CHAS development process, as related to lead-based paint. The data cross-tabulates tenure, age of unit, and affordability group (very low and other low income). Within all very low and low income renter households, about 58,019 are estimated to have high potential for lead-based paint hazards. For very low and low income owner occupied households, another 73,690 homes are at risk of lead-based paint hazards. While the incidence of prospective risk is higher for the low income households, the low income renters have greater risk as the dwelling units usually are in less suitable condition that the owner occupied unit.

SUMMARY

Single family detached homes are the predominant housing type in Montana, making up about 66 percent of the housing stock; however, the share of the stock varies significantly at the local level. Statewide, about 21 percent

TABLE 1.22
ALL STRUCTURES AT RISK
LEAD-BASED PAINT HAZARDS

AREA NAME	NO. UNITS
Billings city	20.902
Bozeman city	5 471
Great Falls city	16 685
Helena city	7 385
Kalispell city	3 665
Missoula city	12 273
Bonner West Riverside CDP	506
Evergreen CDP	1 036
Helena Valley Northeast CDP	249
Helena Valley Northwest CDP	190
Helena Valley Southeast CDP	740
Helena Valley West Central CDP	1.133
Helena West Side CDP	520
Lockwood CDP	783
Lolo CDP	446
Malmstrom AFB CDP	1 016
Orchard Homes CDP	2 617
Sun Prairie CDP	215
Beaverhead County	2 590
Big Horn County	2 446
Blaine County	1.836
Broadwater County	908
Carbon County	3.040
Carter County	570
Cascade County	4.274
Chouteau County	1.813
Custer County	3 769
Daniels County	874
Dawson County	3.043
Deer Lodge County	3.844
Fallon County	1.060
Fergus County	4 050
Flathead County	9.634
Gallatin County	5 856
Garfield County	600
Glacier County	2 676
Golden Valley County	299
Granite County	1 202
Hill County	4 834
Jefferson County	1,807
Judith Basin County	942
Lake County	6.057
Lewis and Clark County	2 641
Liberty County	681
Lincoln County	4 490
Madison County	2 212
McCone County	800
Meagher County	852
Mineral County	952
Missoula County	4 211
Musselshell County	1 397
Park County	4 532
Petroleum County	197
Phillips County	1 773
Pondera County	1 824
Powder River County	669
Powell County	1 927
Prairie County	544
Ravalli County	6 115
Richland County	2 923
Roosevelt County	2 548
Rosebud County	2.026
Sanders County	2 444
Sheridan County	1 597
Silver Bow County	11 731
Stillwater County	1 938
Sweet Grass County	1 098
Teton County	1 885
Toole County	1 644
Treasure County	298
Valley County	3 457
Wheatland County	841
Wibaux County	364
Yellowstone County	5 884
Montana	220 351

of the stock of homes were built prior to 1940, thereby increasing the probability of lead-based paint hazards, especially for low income households. Other maintenance and structural deficiencies also tend to exist in these older structures, as does a higher incidence of vacancy. Overall, 66 percent of the housing stock has 2 or 3 bedrooms.

In recent years, the single-family housing market has tightened, with sharp increases in home and rental prices. Because of rising unemployment rates and falling wage rates, some households face a wide financial gap between the supply of affordable housing and the quantity demanded. Market conditions are very favorable for the sale of existing homes at premium prices and development of expensive to upper-end single-family houses which sell quickly in the rapidly growing parts of the State. While data seems to support a need for affordably priced homes, the market is not supplying those units to any appreciable degree.

For multifamily units and rental property, market conditions favor existing units commanding increasing rents. Pressure on rents in the rapidly growing areas of the State does not appear to be easing, as few new multi-family affordable units are being constructed. In slower to declining sections of the State, low incomes suppress even modest rental property improvements, thereby increasing the incidence of deferred maintenance. Housing suitability problems are persisting in these areas. CHAS Table 1B, addressing Market and Inventory Conditions, is on page 50.

IMPEDIMENTS AND OPPORTUNITIES FOR PROVISION OF HOUSING

Current conditions indicate that a lack of incentive for creating affordable home ownership opportunities has persisted, thereby creating an extreme shortage of affordable housing supply. Barriers to construction of multifamily dwellings typifies current market conditions, which impede the creation of affordable rental housing as well. Economic theory suggests that demand pressures placed on the housing market can be relieved by more supply coming into the marketplace. Market conditions indicate that a significant degree of market demand for affordably priced homes and rental properties remains unmet.

There remains hope, however, as two events have occurred over the last year that may lead to corrections in the market place. One relates to the Low Income Housing Tax Credit (addressed later in this report) which was made a permanent part of the federal tax code. This will enable affordable housing to be more attractive to investors, although its results may not be seen for quite some time. Secondly, the Montana Legislature passed into law a bill giving local jurisdictions the ability to pass tax deed properties into the hands of nonprofit entities. This too is discussed later in this document and may lead to the provision of additional affordable housing.

In summary, there appear to be mostly impediments, and few opportunities, to the development of affordable housing in the current housing market.

CHAS Table 1B

Market & Inventory Conditions

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)
Instructions for States

Name of State or Sub-State Area: Montana

Check One:
___ 1990 Census
___ Other Source: (specify)
___ Data as of: (enter date)

Five Year Period (enter fiscal yrs.)
FY 1994 through FY 1998

A. Housing Stock Inventory Category	Total (A)	Vacancy Rate (B)	0 and 1 bedroom (C)	2 bedrooms (D)	3 or more bedrooms (E)
1. Total Year-Round Housing*	361,155		53,852	113,209	194,094
2. Total Occupied Units	306,163		37,952	93,637	174,574
3. Renter	100,225		29,092	40,458	30,675
4. Owner	205,938		8,860	53,179	143,899
5. Total Vacant Units	54,992		15,900	19,572	19,520
6. For Rent	10,716	9.66%	4,147	4,408	2,161
7. For Sale	6,007	2.83%	698	1,852	3,457
8. Other	38,269		11,055	13,312	13,902

* Total Housing Units, includes seasonal and year-round housing.

ii. INVENTORY OF FACILITIES AND SERVICES FOR THE HOMELESS AND PERSONS THREATENED WITH HOMELESSNESS

The Survey of Montana's Housing Need, submitted to 50 percent of the FY93 CHAS mailing list, requested information related to a variety of housing facilities and services throughout the State. The following tables present the reported facilities and services. Data provides estimates of the number of emergency shelters, transitional housing for homeless persons, permanent housing for homeless persons with disabilities, and overnight sleeping capacity for each facility. Also covered are day shelters, soup kitchens, and other facilities providing assistance to homeless persons on less than an overnight basis. The nature and extent of the programs providing vouchers to assist homeless person in obtaining shelter, meals, and other services is presented too, as is the general nature and extent of social service programs for assisting the homeless.

As much of the data was collected via survey instrument and not all respondents provided specific detail about all facilities and services, follow-up letters requesting further information are being sent to all the cited facilities. The data gathered from the follow-up letters will be incorporated into the information clearinghouse database and incorporated with the FY95 CHAS Annual Plan.

Table 1.23, below, presents the facility inventory for emergency shelters and transitional housing throughout the State of Montana.

TABLE 1.23
FACILITY INVENTORY
EMERGENCY SHELTERS AND TRANSITIONAL HOUSING

Housing Type	Name of Shelter	City	Address	Unit(s)	Capacity
Emergency Shelters					
	Montana Rescue Mission	Billings	2822 Minnesota Ave.	1	105
	Youth Services Center	Billings	4105 26th St.	6	16 beds
	Gateway House for YWCA	Billings	909 Wyoming Ave.	2	38 beds
	Montana Rescue Mission for Women/Family Shelter	Billings	2520 First Ave. N.	1	120
	Gateway House for YWCA	Billings	909 Wyoming Ave.	2	38 beds
	Battered Women's Shelter	Bozeman			20 +
	Help Center	Bozeman			
	Mercy Home	Great Falls	PO Box 888, 59401		
	Great Falls Rescue Mission	Great Falls	326 2nd Ave. S	2	40
	Salvation Army	Great Falls	317 2nd Ave. S		34
	Haven House	Hamilton			12
	Haven for Abused Spouse	Havre			
	God's Love	Helena	533 N Main		
	Friendship Center	Helena	1503 Gallatin		
	Montana House	Helena	420 Last Chance Gulch		8
	Florence Crittendon	Helena	846 6th Ave.		7
	YMCA	Helena		30	
	Neighborhood Center	Helena		30	
	Hobson Trailer Crt	Hobson			
	RV Park	Hobson			
	Rose Brier Inn	Kalispell	24 1st Ave. W	3	15
	Samaritan House	Kalispell	128 9th Ave. W	4	15
	Samantha House	Kalispell			
	Poverello Center	Missoula		40	45 singles/2 families
	Ryman	Missoula		40	overnight
	YWCA Women's Shelter	Missoula			
	YWCA Transitional Housing Prgrm.	Missoula			
	Poverello Joseph Residence	Missoula		1	10

TABLE 1.23 (continued)
FACILITY INVENTORY
EMERGENCY SHELTERS AND TRANSITIONAL HOUSING

New Life Mission	Poplar		1	15
Little River Motel	St. Regis		20	
Sundown Motel	Stanford	Hwy 87		
Jim Trailer	Stanford	Hwy 87		
By Way Motel	Stanford	Hwy 87		
Superior Motel	Superior		20	
Alberton Motel	Superior		10	
Transitional Housing				
Gateway House for YWCA	Billings	808 Wyoming Ave.	2	38 beds
Mental Health Center	Billings	1245 N. 28th St.	3	1 bed
1607 W Doch	Bozeman			
5855 Arrowwood	Bozeman			
Butte Rescue Mission	Butte			22
Safe Space for Batted Women	Butte			10-12
Children's Recovery Home	Great Falls			
Great Falls Rescue Mission	Great Falls	326 2nd Ave. W		
Section 8 Housing Assistance	Havre	College Park Plaza		
God's Love	Helena	Last Chance Gulch		
Friendship Center	Helena	1503 Gallatin		
Boyd Andres Half-Way House	Helena	410 8th Ave.		7
Montana House	Helena	420 Last Chance Gulch		8
Florence Crittendon	Helena	846 5th Ave.		7
Helena Housing Authority	Helena	812 Abbey		
T House	Helena			
Helena Industries	Helena			
Samantha House	Kalispell			
Rose Briar Inn	Kalispell	24 1st Ave. W	3	16
Samaritan House	Kalispell		15	15
Poverello Joseph Center	Missoula			
Rattlesnake	Missoula			22
Odyssey Program	Missoula		6	
Eddy House	Missoula	.	8	8
YMCA	Missoula			
New Life Mission	Poplar		1	15
Little River Motel	St. Regis			
Matthew's House	Sidney		6	12
Superior Hotel	Superior		20	
Alberton Motel	Superior		10	
Diamond Hotel	Terry	Hwy 10		
Kempton Hotel	Terry	Hwy 10		
Permanent Housing for the Disabled				
Salvation Army	Great Falls	317 2nd Ave. S		
Great Falls Rescue Mission	Great Falls	328 2nd Ave. S		
Helena Housing Authority	Helena	812 Abbey		
Eagle Watch Estates	Missoula		18	
Eddy House	Missoula			
No special housing				
Ministerial Association	Anaconda			
Social Services	Ekalaka	Box 315, 95324		
Ministerial Society	Glasgow			
St. Jude	Havre			
Fix Hotel	Livingston	E. Place St.		

Table 1.24, on the following page, presents an additional inventory relating to all other services related to housing support that are not specifically assisted or emergency shelter arrangements. Data relates to day shelters, soup kitchens, other types of assistance, and general services.

TABLE 1.24
FACILITY INVENTORY
SERVICES OTHER THAN OVERNIGHT HOUSING

Type	Name of Shelter	City	Address	Cap	Service
Day Shelter					
	HUB	Billings	515 N 27th St	60	
	Rescue Mission	Billings		26	
	Salvation Army	Great Falls		34	
	Helena Food Share	Helena	920 Front St		3-day food supply
	Friendship	Helena			
	EMCMHC	Miles City		20	
	St Francis	Missoula			
	Fred's Hospitality Center	Missoula			winter shelter
	Fred's Place	Missoula	St Francis Church		
Soup Kitchen					
	Rescue Mission	Billings			
	HUB	Billings	515 N 27th St	60	mentally ill
	Butte Rescue Mission	Butte	First St.		
	Salvation Army	Butte	W Broadway		
	Mercy Home	Great Falls			
	Haven House	Hamilton	115 State St		
	Salvation Army	Havre	2nd St		
	God's Love	Helena			
	Friendship	Helena			
	Community Kitchen	Kalispell	348 2nd Ave. W		100 meals
	Lamplighter Kitchen	Kalispell	1740 Hwy 93 S	30	lunches
	Salvation Army	Kalispell	204 7th Ave. W		100 meals
	7 Food Pantry	Kalispell			100 meals
	Missoula Poverello Center	Missoula		135	
Other Less than Overnight					
	Feed My Sheep	Havre			
	Case Management for the Mentally Ill	Missoula		300	
	Outreach Srvces for Chemically Dependent	Missoula		40	
	Food Bank	Missoula			food
	Salvation Army	Missoula			money, clothing, gas
Other Services					
	Tumbleweed	Billings	300 N 27th St, Ste 104		runaway youths
	Montana Rescue Mission	Billings			
	Christian Hospitality Center	Stanford	3rd Ave N		overnight to 1 yr
	Stevensville Panty Partners	Stevensville			case/case basis
	Social Service Center	W Yellowstone			

Table 1.25, below, presents an inventory of services provided to the needy that help them secure food and shelter vouchers on an emergency or transitional basis. The table identified social service entities (local government, charity, and non-profit entities), and organizations which offer meal, shelter, and general support service vouchers.

TABLE 1.25
OTHER HOMELESS ASSISTANCE PROGRAMS

Program	Name of Shelter	City	Address	Units/Capacity
Social Service				
	St. Vincent de Paul	Billings	2822 Minnesota Ave	
	Battered Women's Network	Bozeman		
	Homeward Bound	Butte	403 N Main	4 families
	Opportunities Inc.	Great Falls	905 2nd Ave. N	
	General Relief	Jordan		
	Heed Homeless Prevention	Kalispell	P.O. Box 8300	12
	Community Hope	Laurel	13 Pennsylvania Ave	
	Missoula Food Bank	Missoula		
	County Welfare, Ct. House	Red Lodge		
	Human Resources	Superior		
	Madison County Welfare Dept	Twin Bridges		
	Commodity/Food Distribution	W Yellowstone		

TABLE 1.25 (continued)
OTHER HOMELESS ASSISTANCE PROGRAMS

Meal Vouchers				
	Montana Rescue Mission	Billings	2822 Minnesota Ave	
	Salvation Army	Billings	2100 N. 6th Ave.	
	Action for Eastern Montana	Billings		
	Salvation Army	Billings	400 N. 6th Ave.	
	Homeward Bound	Butte	403 N Main	
	Welfare AFC., Ct House	Conrad		
	Ministerial Fund	Dillon		
	Ministers Assoc. Wayne Wardwell	Hamilton	1220 Main	
	Food Share	Helena		
	Good Samaritan	Helena	403 N Cooke	
	General Relief	Jordan		
	Community Hope	Laurel	13 Pennsylvania Ave.	
	Missoula Food Bank	Missoula		
	Red Cross	Missoula		
	Salvation Army	Missoula		
	Rural Employment Opportunities	Missoula		
	County Welfare	Red Lodge		
	Salvation Army	St. Regis		
	Community Churches	St. Regis		
	Sheriff	Superior		
	Madison County Welfare Dept.	Twin Bridges		
Shelter Voucher				
	Salvation Army	Billings	2100 N. 6th Ave.	
	Housing Authority	Billings	2415 N. 1st Ave.	
	Mental Health Center	Billings	1245 N. 29th Ave.	
	Action for Eastern Montana	Billings		
	Salvation Army	Billings	400 N. 6th Ave.	
	Homeward Bound	Butte	403 N. Main	
	Ministerial Fund	Dillon		
	Opportunities Inc.	Great Falls		
	Ministers Assoc. Wayne Wardwell	Hamilton	1220 Main	
	Haven House	Hamilton	115 State St.	
	God's Love	Helena		
	Friendship Center	Helena		
	Good Samaritan	Helena	403 N Cooke	
	General Relief	Jordan		
	Community Hope	Laurel	13 Pennsylvania Ave.	
	Red Cross	Missoula		
	Missoula Housing Authority	Missoula		
	HRDC	Missoula		
	Rural Employment Opportunities	Missoula		
	County Welfare	Red Lodge		
	Salvation Army	St. Regis		
	Sheriff	Superior		
	Madison County Welfare Dept.	Twin Bridges		
Service Voucher				
	Action for Eastern Montana	Billings		gas
	St. Vincent de Paul	Billings	2810 Montana Ave	clothing, utilities, deposits
	Rescue Mission	Billings	2822 Minnesota Ave	gas, clothing
	Good Samaritan	Helena	403 N. Cooke	clothing
	General Relief	Jordan		gas
	Salvation Army	Missoula		transportation
	First Call for Help	Missoula		referral services
	Welfare AFC, Ct. House	Townsend		personal needs
No Special Services				
	Montana Peoples Action Committee	Billings		
	Montana Rescue Mission	Billings		
	Operation Hope	Billings		
	Great Falls Housing Authority	Great Falls		
	Northwest Human Resources	Kalispell		

Table 1.26, below, presents an inventory of the State and local entities that provide rent, service, counseling, training, medical, and other forms of assistance that are designed to prevent low-income persons from becoming homeless.

TABLE 1.26
SOCIAL SERVICE PROGRAMS TO PREVENT LOW-INCOME PERSONS FROM BECOMING HOMELESS

Name of Program/Service	Service	City	Address
County Welfare	county level	county	
Local Welfare	state level	state	
Section 8 Housing Assistance	rent assistance	state	812 Abbey St
Emergency Shelter Grants	shelter	state	
FEMA		national	
Aid to Families with Dependent Children		national	
FmHA		national	
Credit Counseling Services	credit counseling	Billings	
Dept. of Family Services	utilities, rent, food	Billings	1824 N. 1st Ave
District 7 HRDC	housing & budget counseling	Billings	17 N. 31st St.
Action for Eastern Montana	fuel & rental assistance	Billings	
District III HRDC	rent & counseling	Billings	7 N. 31st St.
Human Services		Blaine	
Emergency Community Services	emergencies	Bozeman	
Help Center		Bozeman	
HRDC		Bozeman	
Food Bank	food	Bozeman	
HUD	housing assistance	Bozeman	
Butte Ministers Association	United Way	Butte	
Golden Triangle Mental Health Clinic	medical	Great Falls	
Human Resources		Hamilton	
Energy Program		Havre	College Park Plaza
Employment Training	job training	Havre	College Park Plaza
SRS		Helena	
Montana House		Helena	
Helena Industries		Helena	
Human Services		Hill	
Heed Certified Housing Counselors	counseling	Kalispell	P.O. Box 8300
Human Services		Liberty County	
Job Quest		Missoula	
Options		Missoula	
Family Housing Intervention Network		Missoula	
Family Housing Intervention Network		Missoula	
Refugee Assistance Corporation		Missoula	
Veteran's Center		Missoula	
Tribal Human Services		Ronan	

iii. INVENTORY OF SUPPORTIVE HOUSING FOR NON-HOMELESS PERSONS WITH SPECIAL NEEDS

The Montana Housing Survey, submitted to 50 percent of the FY93 CHAS distribution list, requested information related to a variety of housing facilities and services throughout the State. The following tables present the reported facilities and services as they relate to an inventory of supportive housing for non-homeless persons with special needs. Included are estimates of the number and types of supportive housing, such as group homes, single-room occupancy, or other housing that includes a planned service component. Other efforts to coordinate service programs for addressing the needs of populations in supportive housing are noted, and the nature and extent of programs for ensuring that persons returning to the community from mental and physical health institutions is mentioned. As much of the data was collected via survey instrument, and not all respondents knew specific details about all facilities

and services, follow-up letters are being sent to all the cited facilities, requesting further information, and will be incorporated into the information clearinghouse database and incorporated with the FY95 CHAS Annual Plan.

Table 1.27, below, provides data related to programs assisting persons that are returning to the community from mental and physical health institutions.

TABLE 1.27
PROGRAMS ASSISTING PERSONS RETURNING TO THE COMMUNITY FROM MENTAL AND PHYSICAL HEALTH INSTITUTIONS

Name of Program/Service	City	Address	Capacity	Indiv. Served
Rocky Mtn. Day Treatment	Bozeman			mentally ill
Silver House	Butte			
Mental Health Services	Butte			
Group Homes	Glasgow		35	
Maverick House, Crogan Add.	Hardin		6	
Camplighter House	Kalispell	1740 Hwy 93 S		
Harbinger House	Kalispell	601 3rd Ave. E	8	
Intensive Care Managers	Miles City		76	
Stepping Stones	Missoula	Higgins & 3rd		case management for SMI
Developmental Disability	Polson		8	
ICFmHA	Polson		8	
Intermediate Care Facility	Polson	116 13th Ave. W.	8	medical & group home
Beta Alternatives	Red Lodge			

Table 1.28, below, presents a summary of the number of facilities and entities offering supportive housing that includes a planned service component.

TABLE 1.28
SUPPORTIVE HOUSING WITH A PLANNED SERVICE COMPONENT

Name of Supportive Housing Service	City	Address	Unit/Capacity	Indiv. Served
8 Unit FmHA Senior Housing	federal			elderly
AWARE	Anaconda			
Snowy Mountain Home	Billings	132 Pleasant	8	
Deering Clinic/Homeless Medical Program	Billings	123 S 27th St		
Regional Service for Disabled	Billings	2110 Overland Ave	20	
Yellowstone AIDS Project	Billings	104 N Broadway		
Yellowstone Treatment Center	Billings	1732 S. 72nd St		
Horizon Home	Billings	4106 26th St.	8 beds	
Human Homes	Bozeman			devel. disadv.
Reach Inc	Bozeman			devel. disadv
Meals on Wheels	Bozeman			
Advocacy Program	Bozeman			
Reach Inc. Dev Dis	Bozeman			
Choteau Activities Grp Home & Transitional Living	Choteau		16	
Home Health Care	Clark Fork			
Group Homes	Conrad	8 S Delaware		
BiCentennial Apartments	Dillon	76 W Carter	36	
Breakside Apartments	Dillon		246	
Dahl Memorial Healthcare	Ekalaka	Box 2, 59304	21	
The Manor (c/o Andy Kortuel	Ekalaka		20	
Culberston Sr. Ctr	Glasgow		18	elderly
Nemant Manor	Glasgow		102	

TABLE 1.28 (continued)
SUPPORTIVE HOUSING WITH A PLANNED SERVICE COMPONENT

Valley Veen Home	Glasgow		116	
Fairview Sr Ctr	Glasgow		16	elderly
Milk River Group Home	Glasgow	338 3rd Ave N	6-8	
Wagner	Glendive		24	elderly
Passages	Great Falls	704 6th Ave N	6	
Longel House	Great Falls	1109 2nd Ave N	8	
YWCA Gateway	Great Falls	1118 1st Ave N	8	
Pre-Release Center	Great Falls			prisoners
Child-Family Service/Region 11	Great Falls	600 6th St NW	44	
Big Horn County Developmentally Disabled Center	Hardin		6	devel disab
Havre Day Activity Center	Havre		38	
Northern Montana Chemical Dept. Hospital	Havre		20	
Domestic Violence	Havre	College Park Plaza	10	
Human Resources	Havre	College Park Plaza		
Montana House	Helena	420 Last Chance Gulch	8 beds	mentally ill
Lewis & Clark AIDS Project	Helena	Box 832		
Sunset Capital	Helena	620 Logan	117 apts	elderly
West-Mont Home Health Care	Helena	2626 Colonial		devel. disab.
T House	Helena			
Helena Industries	Helena			
Helena House	Helena			
Garfield County Nursing Home	Jordan		18	elderly
Friendship House	Kalispell	606 2nd Ave. W	18	adult care
Flathead Industries for the Handicapped	Kalispell	PO Box 1916	6 home 6 unit	handicapped
Faith Works	Kalispell	24 1st Ave. W	17	
Group Home Harbuge	Kalispell			mentally ill
Meadows Apartments	Lewiston	707 Farewell	36 apts.	
Counterpoint Group Homes	Livingston			
Group Homes	Malta	249 N. 2 E	16	teens
Malta Opportunities Inc.	Malta			
Activity Center	Malta	116 3rd E	16	
Baden	Malta		20	elderly
Gaustana Apartments	Manhattan		24	
Lake Apartments	Medlake		4	elderly
Clark ?? Tun	Miles City		11	
Eddy House/River House	Missoula	Eddy St.	6	mentally ill
Vantage Village	Missoula			
Missoula Manor	Missoula			
Clark Fork Manor	Missoula			
Camelot	Missoula			
Nanny Nursing Homes	Missoula			
Eagle Watcher	Missoula			
Opportunities Inc.	Missoula			
The Village	Missoula			senior citizens
Turning Point	Missoula	N. Higgins	40	
Missoula Developmental Service Corporation	Missoula		62	
Valley Hospital	Noxon			
Mile Marker 63	Pablo	Hwy 93	8	
Little Bitterroot Special Services	Plains			
Valley Hospital	Plains			
Glenwood Group Home/Glenwood Center	Plentywood		14	devel. disab.
Mission Mountain Enterprise/Orchard View	Polson		8	underpriv.
Ravalli Services Corp.	Ravalli	111 Old Corvallis Rd		
Mission Mountain Enterprise/Mission View Hope	Ronan		8	
Henderson and Ware	Scobey		30	elderly
Madison Co. Nursing Home	Sheridan		18	elderly
Berger	Sidney		20	elderly
Judith Basin County Manor	Stanford			low income
Mineral County Hospital Rest Home	Superior		20	elderly
Anderson Apartments	Superior		20	
Gackle Apartments	Terry			
Varns	Terry			
Valley Hospital	Thompson Falls			
Western Montana Mental Health Center	Thompson Falls			

MENTAL HEALTH PLAN

The Residential Services Component of the Montana State Mental Health Division includes the State's two mental health institutions: Montana State Hospital and the Montana Center for the Aged. One of the major emphases in the Montana Public Mental Health System Plan regarding the State Hospital is improving the process of transition for patients going from the hospital to the community. This goal is outlined in the Public Mental Health System Plan:

> The process of patient discharge planning at the hospital will be reviewed and updated. Formal discharge planning for each patient will begin at the time of admission to the hospital and will involve staff members from the hospital and the community mental health center that serves the patient's home community. This will help to identify the components of hospital treatment that will be important in helping patients prepare for a successful return to their home community. It will also help to identify the service and supports that patients will need upon discharge from the hospital.

In addition, several hospital staff members will be designated "aftercare coordinators" and will be responsible for developing and updating an aftercare plan for each patient assigned to them, in conjunction with staff members from each region's community mental health center.

The Mental Health Plan identifies a need for a system of community services for adults with severe and disabling mental illness. Housing for the mentally ill, one of the strategy areas, calls for the continuation of the 100 beds in group homes, and the addition of three group homes for mentally ill elderly persons (eight beds). The plan proposes building nine, one-apartment transition beds, and payment of rental cost for apartment managers at these sites. Emergency funds for 200 persons will be made available to assist clients with rent deposits, furnishings, and emergencies. A department staff person will be assigned to provide technical assistance in housing the mentally ill. These plans go along with the Mental Health Division's goal of encouraging the provision of supportive services in the "least restrictive, most natural and least disruptive setting possible." Table 1.29 presents the types and amount of services available around the State.

TABLE 1.29
SERVICES AVAILABLE TO MENTALLY ILL BY MENTAL HEALTH REGION

Service	Region I Miles City, Glendive, Sidney		Region II Great Falls, Havre		Region III Billings		Region IV Helena, Butte, Bozeman		Region V Missoula, Kalispell	
	availability	# served	availability	# served	availability	# served	availability	# served	availability	# served
Day Treatment	3 locations	154	2 locations	361	1 location	254	5 locations	411	2 locat	344
Residential	12 beds	38	24 beds	36	24 beds	72	16 beds	80	52 beds	122
Supported Employment										
Voc Rehab Funded	not in house	0	in house	16	not in-house	0	in house	25	in-house	35
Extended Services	3 slots	n/a	6 slots	n/a	8 slots	n/a	8 slots	n/a	9 slots	n/a
Intensive Case Management	2 case mgrs	112	5 case mgrs	179	4 case mgrs.	128	4 case mgrs.	101	7 case mgs	169
Outpatient Counseling/ Emergency Services	15 counties	1,923	8 counties	2,088	10 counties	2,088	11 counties	1,853	7 counties	1,734

AGING PLAN

Montana's Older Americans Act (1987) reaffirms the State's commitment to its older citizens. The act described older Montanans as a valuable resource that it is not receiving sufficient services in all areas of the State. The plans laid out in the act are to develop appropriate programs, coordinate and integrate all levels of service, create a directory of available services and transportation to them, programs to facilitate self-care, physical and mental health care, legal programs, adult education, and research in aging.

The organizer of elderly assistance is the Governor's Office on Aging, established in 1983. They are responsible for developing and administering the State's plan on aging, develop an intrastate funding formula, represent the interests of the elderly in State legislative and regulatory bodies, and evaluate Area Agency on Aging activities.

B. NEEDS ASSESSMENT

SUMMARY OF MONTANA'S HOUSING NEEDS

The lack of affordable housing for very low-, low-, and moderate-income persons has risen in prominence as a national policy issue. The lack of affordable housing across the nation has affected individuals, families, and the elderly, whether homeowners or renters. According to a 1986 report prepared by the National Governor's Association, housing costs are rising faster than income.[18]

Montana has not escaped the influences of the nation's housing problems. An analysis of the number of low-rent units, low-cost homes, and the number of households earning less than $15,000 per year indicates that there may have been a shortage of 25,000 units of affordable housing to those households in 1990. This particularly affects families, who make up almost 70 percent of all Montana's households. Today, the situation is much worse as pressures and constraints on the housing market have spread to affect Montanans of all income categories.

These shortages have driven monthly rental payments and housing costs up sharply in the last few years. This places many people at risk of homelessness and places home ownership out of reach for many Montanans. Even though there is great demand for low-cost housing, there has been little new construction of single-family or multifamily units for low- and moderate-income Montanans.

Rehabilitation of the existing housing stock also is a pressing issue. Many occupied units around the State are in poor condition because their owners cannot afford maintenance costs. Elderly Montanans, who constitute the largest group of homeowners in the State, often lack the

[18] *Decent and Affordable Housing for All: A Challenge to the States.* National Governor's Association, 1986.

resources necessary to maintain their homes. For potential home buyers, units which stand vacant for long periods of time constitute a rehabilitation problem. Often the cost of bringing the units up to a liveable standard is prohibitive. The poor condition of the units can also preclude the use of mortgage insurance programs, without which the units are not easily financed.

There is also a need for modification of existing units. Modification of units is required to make housing accessible to Montana's physically disabled population, some of whom currently live in units which are not adequately equipped. In addition, energy inefficient units place an unnecessary cost burden on Montana's renters and homeowners. Energy conservation modifications are needed to address the overall issue of affordable housing across the State.

A number of groups in Montana have special needs linked to the provision of affordable housing. For homeless people, the disabled, families headed by single parents, and the elderly, there is a need for supportive services which facilitate independence. Homeless youth in Montana, while not as prevalent as in other areas of the country, are finding fewer available units in some local shelters. These facilities are simply not able to meet the need for emergency and transitional housing and the services the youths need to move back into society.

As well, single parents head 17 percent of Montana's families. Where there is a high rate of single-parent families in public housing facilities (a situation more common to Montana's major cities) the provision of day care and job training services is needed both to facilitate the family's move toward self-sufficiency and maintain a stable public living environment.

The elderly make up more than 17.5 percent of Montana's adult population and represent the largest group of homeowners in the State. Congregate care housing for this group, which fosters independent living while providing supportive services, amy become a compelling need in the future.

There were more than 50,000 mobile homes in Montana in 1990. Whereas manufactured and mobile homes represent an affordable housing alternative for many Montanans, such owners tend to face restrictive or discriminatory zoning laws or practices in many areas, particularly those in rapidly growing parts of the State. The challenge to policy makers in Montana is to identify and press for equitable alternatives to current zoning and land-use conditions for low- and moderate-income Montanans.

Montana's economy has suffered along with the national recession. Industrial activities related to the State's resource base declined, particularly lumber and wood products. Structural changes in the State's economy have compounded the problem. Many of these economic difficulties will continue. Without proper intervention by housing specialists, the lack of available, affordable, and suitable housing may persist.

There has been a tremendous change in the statewide housing market during 1992. Vacancy rates have continued to drop dramatically since the 1990 Census. For example,

Glendive had 300 vacancies in 1990, compared to 30 in October 1992. In Sidney, where 75 rental homes were converted to owner-occupied units, purchase demand for single-family homes has virtually eliminated one-year leases for rentals. Missoula's rental vacancy rate has hovered near zero since April 1992. In Miles City, low-rent units are rented as soon as they hit they market. Compared to other States, Montana housing was in past years fairly affordable. This is no longer the case across much of the state, especially in the more urbanized areas.

Montana's limited resources are not adequate to address *all* the housing requirements of low- and moderate-income households, elderly Montanans, people with special needs, and other in-need populations. The Montana Department of Commerce (MDOC) and the people of the State share in the task of exploring creative approaches to expanding the supply of housing across the State. Together, through the stewardship of MDOC, Montana intends to move forward in securing and applying federal, State, and private resources to solve the State's housing problems.

This section describes Montana's housing needs in greater detail. These needs were identified by housing officials, constituency organizations, and housing lenders among others across Montana using telephone interviews conducted during October 1992 and mail surveys sent out during fiscal 1993. Supporting data is included where available. The order in which this narrative is presented is not meant to imply any priority rating, as the degree of one need can be acute in one area of the State, another can be equally severe in another part of the State.

B.1. CURRENT ESTIMATES OF HOUSING NEED

B.1.A. GENERAL NEEDS ANALYSIS

During the FY93 CHAS development process, telephone surveys of about 40 housing officials were conducted. During the FY94 CHAS development process, three mail surveys were conducted. One comprised a systematic sample of the FY93 CHAS Annual Plan distribution list. This entailed selection of a sample of about 385 persons scattered throughout the State.[19] This survey is termed the *Survey of Montana's Housing Needs*. The second comprised a sample of randomly selected Montana households. The latter survey was designed to adequately sample middle income households. This would then over sample low and very low income households, thereby under sampling the wealthier households. This comprised a sample of about 3,650 records. This instrument is termed the *Montana Housing Survey*. Both the above instruments, along with cover and follow up letters, are included in the appendices at the end of this report. The third survey was conducted by the Community Development Bureau and focused primarily on zoning and land-use planning issues. The *Montana Housing Opinion Survey* sampled about 300 persons and is summarized below as well.

[19] A systematic sample was drawn from the CHAS mailing list. A systematic sample approximates a randomization technique; here, every other name was selected. However, the population in the study has significant self-selection bias. This survey is not considered scientific.

SURVEY OF MONTANA'S HOUSING NEEDS

The *Survey of Montana's Housing Needs* was designed to collect specific data from knowledgeable housing specialists throughout the State, such as vacancy rates, local needs, and opinions related to impediments and barriers to affordable housing in Montana. Most of the quantitative questions requested ranking the degree of the issue (problem or need). There also was a series of questions related to the inventory of homeless facilities presented in Section I.A.3.ii and iii, and a set of open-ended questions soliciting general responses. All are reviewed below (except the inventory data presented earlier).

The Housing Needs survey solicited input from a very broad cross-section of Montanans involved in housing issues, whether construction, sales, lending, program administration, planning, or public policy. It also included responses from State and local agencies associated with health, environmental services, disability, public instruction, Indian Affairs, councils on aging, low income coalition, and others. Table 1.30, below, presents a summary of the number of respondents by occupation.

TABLE 1.30
SURVEY OF MONTANA'S HOUSING NEEDS
RESPONDENTS, BY OCCUPATION

Occupation	Number
Public Housing Official	6
Housing Program Manager	14
Banking Official	40
Real Estate	12
Housing Developer	2
Land Developer	0
Planning Official	13
Interest Group	6
Elected Public Official	25
Appointed Public Officiel	11
Disabled/Aging Care Menager	2
Owner of Rentel Units	2
Contractor/Engineer	5
Other Business Owner	4
Other	27
TOTAL	169

One of the first issues requested related to type of general housing problem. In earlier CHAS documents, Montana identified four basic problem areas related to housing. These are availability, affordability, accessibility, and suitability. Respondents were requested to categorize the severity of each problem as they relate to rental housing and owner-occupied housing. Table 1.31, below, presents the results. Respondents indicated that rental housing is moderately expensive to very expensive, is somewhat unsuitable to not suitable, and generally not very accessible to the disabled. Most interestingly, nearly 90 percent of respondents (150 of 170) indicated either 'very short' or 'extreme shortage' for rental housing. This implies that

TABLE 1.31
SURVEY OF MONTANA'S HOUSING NEEDS
DEGREE OF HOUSING PROBLEM
BY TENURE

	TOTAL RESPONDENTS	NUMBER OF RESPONDENTS						
		AVAILABILITY						
		PLENTIFUL						SHORT SUPPLY
RENTAL HOUSING	170	1	1	1	6	11	38	112
OWNER-OCCUPIED	167	2	10	16	33	27	50	29
		AFFORDABILITY						
		UNDERPRICED						VERY EXPENSIVE
RENTAL HOUSING	169	1	8	20	52	24	32	32
OWNER-OCCUPIED	174	0	3	20	39	36	48	28
		SUITABILITY						
		VERY SUITABLE						NOT SUITABLE
RENTAL HOUSING	168	0	10	12	41	52	38	15
OWNER-OCCUPIED	166	1	17	25	44	35	34	10
		ACCESSIBILITY						
		VERY ACCESSIBLE						NOT ACCESSIBLE
RENTAL HOUSING	168	1	0	4	25	33	69	36
OWNER-OCCUPIED	165	0	1	9	22	44	61	28

Montana lacks an adequate supply of rental housing at any price and, therefore, has critical shortages of affordably priced rental housing. While not as severe, owner-occupied housing is also in short supply, with prices generally too high to be classed as affordable.

TABLE 1.32
SURVEY OF MONTANA'S HOUSING NEEDS
CHANGE IN POPULATION BY GEOGRAPHIC AREA

	NUMBER OF RESPONDENTS					Total
	NE	SE	C	NW	SW	Respondents
YES	4	11	17	28	29	89
NO	13	6	19	10	18	66
TOTAL	17	17	36	38	47	155
(IF YES, THEN % CHANGE) AVG % CHANGE	7.5%	7%	11.13%	13.12%	10.93%	

While the reasons for these problems are many, often these issues are made more critical by sudden changes in the level of population moving into or out of a particular region. Surveyed individuals were asked as to what degree their local population has increased since the 1990 Census. Table 1.32, above, presents respondent opinions related to the percent change in the level of local population since the 1990 Census was taken. While a majority of respondents saw

no change in population in the northeast section of the State, others sensed significant changes in population, such as the northwest and southwest portions of the State.

Respondents were also asked about the impact on cost of housing of building and energy efficiency codes, and zoning regulations. It is the opinion of the group that these types of public policy issues do not appreciably affect the cost of housing. The vast majority noted that these had no effect on the cost of housing, one indicated that these types of actions decrease the cost, and 10 to 13 respondents noted that these actions can increase the cost. One can deduce that these policy increase the initial cost of housing modestly. Table 1.33, below, presents this data. As an anecdote, current Least Cost Planning arenas, related to electric and gas utility planning and resource acquisition activities, generally have recognized that by increasing the energy efficiency of housing, additional up-front costs are placed on the structure. However, these costs typically pay for themselves over the life of the home and "energy efficiency measure" (increased ceiling, wall, or floor insulation levels, thermal paned windows,).

TABLE 1.33
SURVEY OF MONTANA'S HOUSING NEED
EFFECTS ON COST OF HOUSING BY PUBLIC AND PRIVATE POLICY ISSUES

	NUMBER OF RESPONDENTS							Total
Factor	Decrease Cost			No Effect			Increase Cost	Respondents
	☐	☐	☐	☐	☐	☐	☐	
Building Codes	1	1	11	72	44	19	13	161
Building Energy Efficiency Codes	1	6	12	67	49	13	11	159
Zoning Regulations	2	2	4	80	37	21	10	156

The question related to the impact on housing of building and zoning codes was approached from an alternate perspective. Respondents were asked if these types of public policy issues impact the *availability* of housing in their local jurisdictions. Table 1.34, below, presents the findings of this question, by geographic region. Note that nearly one third of the respondents do feel that these public policies restrict availability of housing. In particular, the northwest region respondents feel much more strongly that building and zoning regulations tend to impact the availability of housing.

TABLE 1.34
SURVEY OF MONTANA'S HOUSING NEED
DO BUILDING AND ZONING REGULATIONS
EFFECT HOUSING AVAILABILITY.
BY GEOGRAPHIC AREA

	NUMBER OF RESPONDENTS					Total
	NE	SE	C	NW	SW	Respondents
YES	2	7	10	17	17	53
NO	15	12	28	24	32	111
Total Respondents	17	19	38	41	49	164

Respondents were also asked to review and rate the degree of need by various types of in-need groups. The results of this question indicate that, given the incidence of certain types of in-need groups, some needs appear more critical in one area than in another. In Table 1.35, above, the degree of need for the elderly and mentally or physically disabled is rated more urgent that those of the AIDS/HIV infected, the alcohol or drug addicted, or specific racial minorities. There appeared no clear opinion emerging from evaluation of need of housing for the homeless. One must emphasize that, given the wide disparity of need and economic conditions around the State, one local jurisdiction may have a severe need that is inconsequential in another.

TABLE 1.35
SURVEY OF MONTANA'S HOUSING NEEDS
DEGREE OF NEED BY IN-NEED CLASSIFICATION

	NUMBER OF RESPONDENTS							
Group	Severe Need			Some Need			No Need	Total Respondents
	☐	☐	☐	☐	☐	☐	☐	
Elderly	11	32	52	45	15	9	1	165
Mentally or Physically Disabled	27	33	35	34	25	12	0	166
Homeless	21	18	19	25	25	41	14	163
AIDS/HIV Infected	6	8	12	23	11	44	45	149
Alcohol or Drug Addicted	9	14	15	33	29	42	17	159
Racial Minority	11	3	13	38	31	38	29	163

TABLE 1.36
SURVEY OF MONTANA'S HOUSING NEEDS
DEGREE OF NEED FOR RENTAL PROGRAMS

	NUMBER OF RESPONDENTS							Total
Type of Assistance	Extreme Need			Some Need			No Need	Respondents
	☐	☐	☐	☐	☐	☐	☐	
Rental Assistance	35	40	52	17	15	7	1	167
Production of New Rental Units	57	59	26	8	9	7	1	167
Rehabilitation of Old Rental Units	41	38	40	22	17	7	0	165
Acquisition of Existing Rental Units	27	32	32	34	15	11	4	155

Surveyed individuals were also asked about the degree of need for certain types of rental assistance programs. Besides details on homeowner or first-time buyer issues, review of the data provides insights into renter assistance programs. Table 1.36, above, presents an evaluation of the degree of need, by type of program.

As seen in the above table, all types of rental assistance are needed, as nearly all are considered in nearly extreme or extreme states of need. This question confirms the notion identified above, as it relates to the extreme shortage of rental housing. In further quantifying the degree of need for rental housing, Table 1.37, below, presents the reported vacancy rates in rental housing, by general geographic area. Note that as one moves from east to west, the incidence of rental vacancies declines.

TABLE 1.37
SURVEY OF MONTANA'S HOUSING NEEDS
REPORTED RENTAL VACANCY RATE BY GEOGRAPHIC AREA

	NUMBER OF RESPONDENTS					Total
Vacancy Rate	NE	SE	C	NW	SW	Respondents
10 +	1	0	0	0	1	2
9	0	0	1	0	0	1
8	1	0	0	0	2	3
7	0	0	0	0	1	1
6	0	0	0	1	0	1
5	4	1	5	3	6	19
4	1	1	2	2	2	8
3	2	2	4	1	8	17
2	0	3	8	3	9	23
1	6	9	17	28	19	79
Total Respondents	15	16	37	38	48	154

TABLE 1.38
SURVEY OF MONTANA'S HOUSING NEED
SUMMARY OF PERCENT INCREASE IN RENTAL PRICES BY GEOGRAPHIC AREA

	NUMBER OF RESPONDENTS					Total
Percent Change 1990-1993	NE	SE	C	NW	SW	Respondents
0-4	2	3	3	1	1	10
5-10	6	1	9	4	11	31
11-19	3	1	4	3	7	18
20-29	0	5	11	11	11	38
30-49	0	0	4	5	6	15
50-69	0	2	3	7	4	16
70 +	0	0	0	4	1	5
Total Respondents	11	12	34	35	41	133

TABLE 1.39
SURVEY OF MONTANA'S HOUSING NEEDS
PERCENT DECREASE IN RENTAL PRICES BY GEOGRAPHIC AREA

	NUMBER OF RESPONDENTS					Total
Percent Change 1990-1993	NE	SE	C	NW	SW	Respondents
0-4	2	2	1	0	0	5
5-10	1	1	0	0	0	2
11-19	0	0	0	0	0	0
20-29	0	0	0	0	0	0
30-49	0	0	0	0	0	0
50-69	0	0	0	0	0	0
70 +	0	0	0	0	0	0
Total Respondents	3	3	1	0	0	7

With increases in population, declines in rental vacancy rates, and increasing needs for rental programs indicated, one may reasonably assume that affordably priced rental property is disappearing. Table 1.38, above, indicates what respondents feel has been the degree of change in rental prices since the 1990 Census was taken. But these statistics do not portray all the real problems being experienced in the State. Some areas have decaying housing stock, and declining rental prices. Table 1.39, also above, indicates the degree that rental prices have fallen. Note that there does appear a contrast between needs in the east and needs in the western portions of the State when viewing the data from this single perspective. None of the respondents indicated declines in the rental prices in the western portion of the State.

Table 1.40, below presents a summary of the reported rental prices, excluding local utility expenses, as reported by the respondents.

TABLE 1.40
SURVEY OF MONTANA'S HOUSING NEED
SIMPLE AVERAGE OF REPORTED RENTAL PRICES
BY GEOGRAPHIC AREA
(excludes water, sewer, refuse, and energy expenses)

	NE	SE	C	NW	SW
Efficiency	137.22	197.5	201.30	248.52	218.60
1 Bedroom	181.92	231.67	246.03	298.43	263.94
2 Bedroom	229.64	276.33	322.46	392.43	349.92
3 Bedroom	288.33	386.54	412.00	487.10	430.36

For the survey of Montana's housing needs, respondents were asked to provide comment on several open-ended questions. The following presents a summary of these comments.

QUESTION: What opportunities for creating affordable housing in your area exist due to area market conditions?

RESPONSE:

Respondents indicated that few opportunities for creating affordable housing exist due to the area's market conditions. They felt that current county, city, state, and Federal organizations do not go far enough in alleviating the housing shortage in Montana. Further, the State needs to incorporate new programs and enhance existing ones to increase rental availability and home ownership. For example, a potential barrier to home ownership is the continuation in large single-family homes of elderly persons who may need assisted living conditions. By creating living space for elderly persons between total independence and nursing home care, many homes can become available as rentals or sale. Young families or larger families in need of more space would have the opportunity to buy or rent.

The high cost of land, lumber, construction make housing projects in Montana expensive. Most housing projects cost over $100,000. One response taken from Montana's Housing Survey defines "affordable housing" with the value of less than $100,000 for a home. Some Montanans feel that taxes and lack of investors in combination with limited lot availability contribute to Montana's housing problems. Taxes are reaching the point where some Montanans are having to move out of the area. Rental rates and resale values of a seller's

market do not make it feasible to build or repair existing older housing. The banks are willing to help since interest rates are low, but financing and property taxes alone are a burden. One suggestion offered related to freezing property tax or incorporation of a tax incentive which would increase private investors' and developers' interest to build.

In regard to single-family homes, the short supply of rental and multifamily housing have driven some area home prices up by 20 percent. Responses from landlords show a mutual feeling that many rentals already exist, but that the law of the State gives tenants too much authority making it costly for the landlords to collect rent or evict tenants. Therefore, the landlords are unwilling to invest in construction of new units. Instead, rent prices are increased, making available homes unaffordable because of low income. Interest rates are low, but the down payment and closing cost are excessive burdens to those looking to buy.

QUESTION: What barriers for creating affordable housing in your area exist due to area market conditions?

RESPONSE:

Land cost, lack of sites in close proximity to services, shortage of rentals, and development costs in outlying areas all represent barriers to potential construction of affordable housing. Lots that are available are too expensive due to scarcity. The majority of people who can afford the high prices are the newcomers who are bringing in the high dollar equity from the West Coast sales, thus pushing up the demand for local home sales, while inflating home values. The demand for good home sites exceeds the supply.

The number of rental vacancies is low while the high average purchase price of homes forces people to remain in rentals. Housing costs exceed the income level of most local prospective buyers. The majority of homes being built seems to concentrate on more expensive, larger, single-family homes -- especially for newcomers who are willing to pay higher prices. The direction that developers are taking makes it difficult for the elderly, single parents, and low- to moderate-income persons to find affordable housing.

Those who are able to find a house to rent or buy are often unable to afford it. Buyers find it especially difficult to finance a home with all the bank and government regulations and compliance issues. The limitations and/or restrictions on home ownership programs do not alleviate the high cost of housing for families on fixed incomes. The market condition and housing vacancy rates support persons who can afford to pay mortgage rates of $650 or more. Without a loan, prospective buyers are unable to fulfill down payment requirements.

QUESTION: What organization or institutional barriers to affordable housing exist in your area?

RESPONSE:

The way in which institutions and organizations handle and develop funding priorities or criteria for selecting housing projects do not expand safe, decent, and/or affordable housing where it is needed. City, county, state, and federal resources and programs are not adequate in response and identification of housing problems. Most State program organizations lack the interest that is needed to initiate a program to deal with the housing issues. Programs tend to focus on affordable housing as what 80 percent of the median income can afford rather than those on AFCD, etc. Local governments lack fiscal assistance and commitment. There are no zoning incentives, or an affordable housing requirement. City zoning regulations prohibit and discourage mobile homes, in-fill, and multifamily development. Funds are lacking in the area of rehabilitation of existing homes. Most rentals are old and landlords do not reinvest or

maintain the interior or exterior of the structure. Taxes and sewer extension costs increase the building expenses outside city limits, where land is affordable and regulations are more "friendly."

QUESTION: What things might best facilitate solving your area's housing problems?

RESPONSE:

Any significant solution to facilitate the affordable housing crisis will involve all sectors of the State. Financing from local lenders is required for both the acquisition and development loans and the permanent financing for home buyers. The specific barriers such as the application process, financing, and zoning will need to be addressed both on the local and state levels. Local banks need to look beyond seeking just CRA credits. The development of affordable housing is a capital-intensive business, therefore, the issuers of debt must be willing participants. Affordable housing is the key element of local infrastructure. You must have affordable housing to maintain local jobs. The economy is unstable and jobs are important to investing in housing or upgrading existing homes.

Since home prices can't be lowered, a tax incentive or some sort of builder's incentive would boost the sales of family units within the HUD limit. To counterbalance, HUD should raise the area limit. County officials can promote and assist in allowing construction of rental units that rent for prices commensurate with local area residents' income. Rental and down payment assistance should be offered to facilitate low income residents and elderly adults with rental disabilities. A thorough assessment needs to be incorporated to address Montana's housing dilemmas in all categories.

QUESTION: Are there gaps in the delivery of programs and resources in your area?

RESPONSE:

Local governments are beginning to address the issue of efficiency of programs delivery and resources. HUD guarantees loans that can extend to $75,500, but the average home selling price is $114,603. Homes that are affordable ($70-$80,000) might not meet HUD guidelines. Non-profit organizations are over-extended in their ability to serve a population that is growing because of newcomers, and the private sector is slow to respond to the housing issues. Programs need to be administered with consistency and simplicity. The general public is not aware of the programs available and those programs that are available lag behind in demand and are too complicated. Some individuals feel program requirements are too time consuming and difficult.

The efficiency of programs is not the only resource that is failing. Transitional housing of any kind is lacking for homeless, HIV infected, handicapped, and drug and alcohol addicts. Most federal programs make it too difficult to apply because of match fund requirements for the project, thus ignoring smaller communities with less money and a smaller population. Programs and resources need to be fully available to all in the State of Montana.

MONTANA HOUSING SURVEY

The *Montana Housing Survey* was designed to collect specific data from a randomly drawn sample of Montana citizens. The data related to housing conditions, inventory, cost, demand, needs for assistance, and suggestions as to preferred policy directions. Other household

and structure data, not yet completely analyzed, will be included in future releases of the CHAS. Most quantitative questions related to ranking the degree of need, or problem, being experienced in the local community.

Since the survey was drawn on a random sample, statistically valid generalizations can be made about the opinions of Montana's citizens, as well as about housing throughout the State. The sample selected was approximately 3,600 households; and, to date, about 1150 respondents have returned their surveys.[20] The following tables present preliminary results of the findings of the survey; more formal conclusions will be delayed until all respondents have had an opportunity to respond to the instrument.

One of the first issues requested related to type of general housing problems. In earlier CHAS documents, and several times herein, Montana has identified four basic problem areas related to its housing stock: availability, affordability, suitability, and accessibility. Prospective respondents were asked to categorize the severity of each problem as it relates to rental housing and owner-occupied housing within their local communities.

Table 1.41, below, presents a tabulation of the responses. Note that, consistent with other needs assessment activities, rental housing is considered critically short, with nearly 70 percent of respondents indicating extreme positions.

TABLE 1.41
RANDOM SAMPLE OF MONTANA CITIZENS
DEGREE OF HOUSING PROBLEMS
BY TENURE

	TOTAL RESPONDENTS	NUMBER OF RESPONDENTS						
		AVAILABILITY						
		PLENTIFUL						SHORT SUPPLY
		☐	☐	☐	☐	☐	☐	☐
RENTAL HOUSING	1,094	17	20	36	102	165	265	489
OWNER OCCUPIED	1,069	68	78	115	207	224	217	160
		AFFORDABILITY						
		UNDERPRICED						VERY EXPENSIVE
		☐	☐	☐	☐	☐	☐	☐
RENTAL HOUSING	1,082	14	16	94	292	230	208	228
OWNER OCCUPIED	1,066	9	23	85	284	239	249	177
		SUITABILITY						
		VERY SUITABLE						NOT SUITABLE
		☐	☐	☐	☐	☐	☐	☐
RENTAL HOUSING	1,074	21	48	116	281	275	215	118
OWNER OCCUPIED	1,046	43	124	233	368	164	76	38
		ACCESSIBILITY						
		VERY ACCESSIBLE						NOT ACCESSIBLE
		☐	☐	☐	☐	☐	☐	☐
RENTAL HOUSING	1,021	11	19	36	153	201	375	226
OWNER OCCUPIED	1,008	8	16	28	168	206	394	188

[20] It is expected that, since follow-up letters were sent out near the end of September, 1993, additional instruments will be returned.

In regard to affordability, respondents indicated that rental and owner occupied housing was moderately to extremely expensive; respondents are heavily weighted toward "very expensive". In general, owner occupied homes fared better in suitability ratings, with a sharp peak of opinions at the middle. This implies a very large stock of homes that, while structurally habitable, appear to demand increased maintenance. Overall, Montana's stock of homes, both rental and owner occupied, have fairly significant accessibility problems.

The implications of these rates seem to indicate that Montana's need and want, more affordably prices homes, that the existing stock needs upgrading and rehabilitation, and that many more units need to be accessible to Montana's disabled.

The sample of randomly drawn citizens were also asked to rank the degree of need a set of in-need groups ten to have within their local communities. Table 1.42 presents the preliminary findings of this inquiry. All categories of in-need groups were classed a having at least some need; however, citizens leaned one way or another on each. In regard to the elderly, Montanans feel that there is some need, but respondents were weighted more toward higher levels of need, with over twice as many indicating severe need as no-need. While feelings related to the disabled are similar, fewer people had moderate feelings and grater numbers had extreme opinions related to no need and severe need. Here, opinion favors the higher level of need.

TABLE 1.42
RANDOM SAMPLE OF MONTANA CITIZENS
DEGREE OF NEED BY IN-NEED CLASSIFICATION

	NUMBER OF RESPONDENTS							
Group	Severe Need			Some Need			No Need	Totel Respondente
	□	□	□	□	□	□	□	
Elderly	100	143	233	266	159	107	43	1,051
Mentally or Physically Disabled	120	143	212	229	116	126	81	1,027
Homeless	176	118	136	157	104	181	163	1,035
AIDS/HIV Infected	68	50	67	165	88	200	324	962
Alcohol or Drug Addicted	65	73	118	223	121	185	201	986

Opinions related to homelessness are not uniform; there are large numbers of opinions at either extreme and in the center. The precise reason for this tri-modal response has not yet been evaluated, but there may be geographic preferences yet to uncover. In regard to the AIDS/HIV infected group, opinions were quite strong that there was little, if any, need. While this type of response could be interpreted as bias, one must recall that the AIDS/HIV infection problem is very small in Montana and is dwarfed by other more visible social demands. A similar, though less extreme position, is evident in regard to the alcohol and drug dependent.

Respondents were also asked to classify the degree of need for a variety of housing programs. As in all previous assessments, more low rent rental units and affordably prices single family homes are considered as most important. Low cost group care for the elderly also appears to be favored by a majority of citizens. Each of these are present in Table 1.43, below.

TABLE 1.43
RANDOM SAMPLE OF MONTANA CITIZENS
DEGREE OF NEED FOR HOUSING PROGRAMS

	NUMBER OF RESPONDENTS							Total
Type of Assistence	Extreme Need			Some Need			No Need	Respondents
Repair and Maint Assistance	145	171	238	207	130	73	72	1,036
Rental Assistance	194	179	208	199	104	87	71	1,042
Construction of low-rent Rental Units	320	186	184	119	73	80	84	1,046
Rehabilitation of Rental Units	149	185	231	187	95	88	87	1,022
Rehabilitation of Single Family units	161	185	215	220	94	74	72	1,021
Low-rent Group care for Elderly	231	213	203	178	88	61	57	1,031
Assistance for mobile home owners	141	121	183	204	114	117	118	998
Construction of affordably single family units	322	237	156	136	72	61	58	1,042

Respondents were also asked to vote "yes" or "no" to whether building and zoning codes adversely affect the affordability of housing and the availability of housing in their local area. A majority indicated that neither type of public policy adversely affects housing. However, this piece of the survey needs to be evaluated on a substate basis, as in rapidly growing communities, such arguments surface very often; and very few counties have adopted zoning regulation. Furthermore, many counties in Eastern Montana Have little or not subdivision review and inactive or non-existent planning boards and staff. In the larger western towns, this is not the case.

TABLE 1.44
RANDOM SAMPLE OF MONTANA CITIZENS
ADVERSE EFFECTS OF BUILDING AND ZONING REGULATIONS

	BUILDING CODES		ZONING REGS	
	YES	NO	YES	NO
AVAILABILITY	264	767	314	725
AFFORDABILITY	367	667	332	705

MONTANA HOUSING OPINION SURVEY

Recipients of this survey were selected from professions dealing with housing and land use planning issues. The purpose of the survey was to obtain opinions from all interest groups involved in housing regarding what factors foster, or can foster, affordable housing and what factors act as barriers. At least one person representing the local government in each municipality and county was sent a questionnaire. All planners and administrators of housing rehabilitation and housing authorities were sent a questionnaire. Where a municipality or county was not represented by a planner or housing administration the mayor of the municipality or chairman of the county commission was contacted. In addition, a sample of one out of six bankers and all realtors and homes builders on the Comprehensive Housing Affordability

Strategy (CHAS) FY93 mailing list were contacted. A total of 320 people received the mailed surveys.

In addition to the Housing Opinion Survey, each local planner and housing administrator was mailed a second questionnaire intended to provide statistical information about the housing stock and the status of planning and land use regulation in the community. Ninety three surveys and 40 supplements were returned.

Survey recipients were asked their perception of the housing demand, supply, and the degree of interest by developers for providing housing for six categories of housing type in their community. Recipients were asked to rank the degree on a five point scale, with 1 the lowest and 5 the highest. Table 1.45, below, presents the results of the survey.

TABLE 1.45
RATED HOUSING DEMAND, SUPPLY, AND DEVELOPER INTEREST

	Demand	Supply	Developer Interest
Low-cost housing to rent	4.3	1.4	1.8
Low-cost housing to buy	4.1	1.5	1.7
Avg-priced housing to rent	4.1	1.6	2.0
Avg-priced housing to buy	4.0	1.8	2.4
High-end housing to rent	2.8	2.0	1.9
High-end housing to buy	2.9	2.6	2.7

Table 1.45 shows that the demand for low-cost and average-priced housing, both for rent and for purchase is extremely high. The demand for high priced housing was considerably less. The supply of low-cost and average-priced housing was scarce on a statewide basis. Parallelling the lack of supply of housing is the respondents perception that developers have little interest in meeting the demand for low and moderate prices housing. The disparity between the demand for, and the supply of, low and moderate cost housing is dramatic.

Of all respondents, 64 percent reported both highest demand and lowest supply of affordable housing. There was little difference in demand between rental or owner housing, but the most severe disparity between demand and supply was in low cost rental housing. Of the respondents that reported d both high demand and low supply of low cost housing, 53 percent also reported that there is practically no interest by developers in producing low cost units. Only 23 percent of respondents reported equal supply and demand for high end housing, 16 percent for average price housing and 7 percent for low cost housing. Those reporting equal supply and demand for low and average cost housing were very small towns and communities the decline economies in eastern Montana. Over 55 percent of the respondents reported a rental vacancy rate near 0 percent. Those who reported available housing were, again, generally in eastern Montana and the Hi-line area.

Although there were exceptions, most respondents believe that high construction cost of housing, particularly the high cost of building materials, is a major factor that prevents low and moderate income families from obtaining affordable housing. High costs of land were cited

frequently, especially by realtors and builders. Many respondents indicated that lack of employment or low paying jobs in the community were the reason for low incomes that are insufficient to purchase or rent good housing. Most feel that meeting down payments and closing costs is a barrier for low income people. Because of low incomes, people are not able to meet credit requirements or other qualifying criteria.

Most respondents in all the occupations feel that developers are not trying to build low cost housing because of current strong markets in higher-priced housing coupled with the fact that low income housing provides a poor return on investment. A fairly commonly expressed factor was higher-income non-resident home buyers' willingness and capacity to pay high prices or rents is driving up housing prices in many ares of Montana.

Respondents in all occupations believe that lack of available land is a problem, although there is a difference in perception why land is not available. Some cited that fact that a community is surrounded by public land, tribal land, or by private land where owners are unwilling to sell for housing development. Other cite the need to extend city utilities, or that zoning did not provide enough available land, especially for multi-family and mobile home development.

Solutions commonly indicated by all occupations include providing more affordable financing, including rent and home subsidies, raising the limits on US Farmers Home Administration programs. Another fairly common solution is to provide assistance to builder and/or home buyers. Some respondents mentioned low cost loans, subsidies, or financing packages for developers of low cost housing.

STATE ADMINISTERED SECTION 8 HOUSING

An indirect measure of affordability and availability can be found by inspecting the Section 8 waiting lists. In Montana, the list was last prepared on September 30, 1993. Table 1.46, at right, presents the current number of households on the waiting list. This list, while last purged on July 7, 1993, is open at all times.

TABLE 1.46
STATE ADMINISTERED SECTION 8
WAITING LIST

Bedrooms	# on Waiting list
1 Bedroom	1,466
2 Bedrooms	2,831
3 Bedrooms	1,570
4 Bedrooms	178
5 Bedrooms	19
6 Bedrooms	3
TOTAL	6,067

Of those on the list, about 55 percent have one or more federal preferences. The complexion of the list is simply dependent upon those who apply. However, upcoming decline in the number of available certificates and vouchers is expected to alter the complexion of the waiting list. These new influences are anticipated to be from the fact that units are now linked to family self sufficiency and certificates and vouchers are now open to single person households. The latter is anticipated to swell the total waiting list to 10,000 households.

In FY 1992, the number of households on the waiting list amounted to 5,250. Therefore, between 1992 and 1993, there was a 16 percent increase in the waiting list. This implies that the housing market is not providing enough affordably priced rental property to adequately handle demand and household formation. This, in turn, leads to further pressure on rental prices.

Regrettably, as of October 1, 1993, Fair Market Rents (FMRs), the values upon which the level of assistance provided to renters under Section 8 Housing, were adjusted downward. Some of Montana's communities suffered significant declines nearly $100 a month or more. Montana fears that this may contribute to risks of homelessness for many people; and, the State intends to track Section 8 tenants to determine if this risk bears itself out.

SUMMARY

The *Survey of Montana's Housing Needs*, conducted during fiscal 1993, indicated several distinct problems and a variety of options for overcoming deficiencies in the provision of affordable housing.

In general, these findings can be summarized as a critical shortage of rental housing and a severe shortage of owner occupied homes. All income groups are adversely affected, with low income persons being placed in the most compromising circumstances. In-needs groups are scattered statewide, but the elderly and handicapped have the highest incidence of need. There tends to be a high level of unsuitable homes and rental property as perceived by the public.[21] As well, both rental housing and owner occupied homes are not very accessible for Montana disabled citizens. Further, the in-need groups are specifically the homeless, the elderly, and the mentally or physically disabled. Since the incidence of AIDS/HIV infection is relatively low in Montana, the public perceives little need for this type of housing and housing related services. However, within local jurisdictions, these needs can contrast sharply. Also, rental and home prices are increasing significantly, with building and zoning practices affecting housing availability in areas with faster growing populations and active subdivision and zoning activities.

Few opportunities exist today for increasing the provision of affordable housing, but many barriers exist. These barriers include land prices, material costs, population migration, and zoning regulations. Service gaps exist. These relate to programs that provide additional support to the in-need groups. These service gaps can generally be addressed through current delivery systems, albeit they are under funded.

The *Montana Housing Opinion Survey* confirmed the previous survey analysis. Rental housing is critically short throughout the State and owner-occupied homes are not affordable. Furthermore, developers are largely uninterested in providing low-cost housing, whether for-rent or for-purchase. Respondents indicated similar causes for some of the high cost of housing, such

[21] In general, Montana citizens take a more critical view of suitability than the CHAS definitions.

as building materials and land costs. Other indicators contributing to the lack of affordability related to low paying jobs, an inability to meet credit requirements, and an inability to save for down payment and closing costs. The survey respondents indicated that prospective solutions relate to low cost financing, rent and home subsidies, and assistance to builders and home buyers.

The *Montana Housing Survey*, the canvassing of randomly selected citizens, concurs with the above two needs assessment results. There are critical shortages of rental housing, severe shortages of affordably priced homes. There are significant needs for program support for the creation of low-cost rentals and affordably priced homes.

Even Montana's Section 8 waiting list concurs with the above, as over 6,000 are now on the list; it is expected to rise to about 10,000 over the course of the next couple of years.

PROPOSED ACTIONS ENHANCING PROVISION OF AFFORDABLE HOUSING

CONSTRUCTION OF LOW-RENT UNITS

There is a large demand for additional low-rent units across the State. The demand is urgent in Montana's seven major cities, but there are shortages in most rural areas of the State as well. Very low-, low-, and moderate-income Montanans are competing with upper income newcomers for the same stock of rental units. The increasing demand has depleted the affordable rental units. In those regions of the State favored by wealthy newcomers, many Montanans cannot afford year-round rental housing without a subsidy. This is particularly true for the western region of the State. The market is driven by the lack of units, and people are priced out of what once were low-cost units. Gentrification, upgrading of formerly low-cost older housing and the overall increasing demand for the existing rental stock, have contributed to the decreasing stock of affordable rental units in major cities. Vacancy rates are below 1 percent in Billings, Glendive, Great Falls, Helena, Kalispell, Missoula, Bozeman, and Park County. Rental prices have increased by more than 100 percent since 1988.

There has been almost no new rental construction in recent years, especially in major cities where Farmers Home Administration (FmHA) funds cannot be used (communities with populations in excess of 20,000). In many places, there are no vacant lots on which to build new units. Areas zoned for multifamily have already been developed. Zoning changes would be needed, but zoning has encountered significant problems from the "not in my backyard" syndrome.

New construction of public housing has decreased. Only five new units of fully subsidized public housing were awarded to Montana over the past three years, and those units were built in Missoula during spring 1993. All regions, except Sidney, have waiting lists for all sizes of publicly assisted units. The waiting lists for rentals indicate that the greatest need is for two-bedroom units. This is of particular concern in Billings, Bozeman, Great Falls,

Helena, Kalispell, and Missoula. Families requiring larger units (three or more bedrooms) wait longer for fewer units. While the waiting lists for larger units are not as long, the turnover rate is low, and large families remain on waiting lists for years.

Subsidized or unsubsidized, low-cost rental units simply are not available in the areas where there is the greatest demand.

CONSTRUCTION OF SINGLE FAMILY UNITS

In much of urban Montana, there are not enough affordable single-family units to meet the demand or need. The influx of affluent newcomers has driven home prices up in Billings, Bozeman, Helena, Missoula, and Kalispell. Home ownership in those communities is becoming a luxury. Most homes are priced over $100,000. Homes priced $60,000 to $100,000 are very difficult to find, and homes for under $60,000 are practically non-existent. In Great Falls, houses are not available at any price. Neighborhood Housing Services was able to finance construction of five new houses by removing eight that had fallen down. There were 36 families on the waiting list before the project was publicly announced. The houses are running $60,000 to $61,500, but subsidies will buy them down to around $40,000. In Kalispell, so-called starter homes are out of the grasp of most people as they start at about $75,000. There are long waiting lists to get into houses. Families are moving in to take jobs, but there is no housing available. New homes in Missoula also start at about $75,000. Habitat for Humanity has built three homes there, and plans to build two more.

Even parts of northern and eastern Montana are experiencing housing shortages. Chester has some single-family homes available, but they tend to be old and in poor condition. Some hospital employees are living up to 50 miles away. Glendive has lots of houses, but the vacancy rate is very low. There are 30 homes for sale and almost no homes for rent. In Miles City, realtors are calling homeowners every week asking if they want to sell. There is a demand for more expensive homes. There is a broad spectrum in town, but low-cost homes are in dangerous neighborhoods. Rents have not yet escalated. In Sidney, the market is tight for single-family homes, and prices are going up.

The picture is somewhat brighter in Billings and Butte. In Billings, there has been a 34 percent reduction in stock for sale. There are some homes being built now in most price ranges, but not enough to keep up with the need. There are homes available to rent and buy in Butte, but there is a gap in moderate priced homes, $50,000 to $60,000. Interviewees identified a need for low and moderately priced single-family units of up to four bedrooms.

REHABILITATION OF EXISTING LOW-RENT UNITS

In most areas, the tight housing market has removed the incentive to build low-income units. For the most part, no new low-cost units are being built, and those units remaining as low-rent units are deteriorating. Many people are living in substandard units, or units in violation of fire and safety codes such as basement apartments without proper ventilation and

exits. The issue has gone beyond shelter to human safety, with many people putting up with what they can get, even in the face of self-endangerment.

Many of Montana's non-subsidized low-rent units are in substandard condition. This is especially true for rural areas where rental markets are less dynamic and rehabilitation financing is difficult to obtain. Most low-rent units and single-family units were built before 1940 and need major renovation like wiring and heating. For example, many units carry high utility costs for tenants. Electric heating systems can cost tenants an additional $200 to $300 per month in the winter months. Many of the units on the Fort Peck Reservation are substandard. They have used Comprehensive Housing Assistance funds to bring some units up to standard, but many more need rehabilitation.

REHABILITATION OF EXISTING SINGLE-FAMILY UNITS

In several rural areas of Montana, older single-family units continue to deteriorate. Landlords are reluctant to rehabilitate units by incurring additional debts. Homeowners in rural areas often do not have enough income to maintain their homes properly. Rural communities and small towns generally do not have the resources to organize and operate effective rehabilitation programs.

The rural area around Butte has many homes in generally poor condition. Livingston has some of the oldest homes in Montana. In the old section of the city, 95 percent are more than 60 years old. They also do not conform to current zoning, being close together and right up next to the sidewalk. In one-third of the town, 77 percent of homes are substandard. In general, 80 percent of the stock is pre-1950; 56 percent of that is pre-1939.

According to the 1990 Census, 22 percent of the State housing stock was constructed prior to 1940. While age is not necessarily an indicator of substandard condition, the Montana Building Codes Bureau maintains that homes constructed prior to 1940 are more susceptible to deterioration of the foundation, inadequate roof support, and drainage problems. When families try to purchase these homes, they find that the homes do not qualify for federally insured mortgages because of their deteriorated condition. In addition, many single-family home dwellers experience higher energy costs because their homes are not properly weatherized.

Montana needs to rehabilitate rental properties and keep rents affordable. This will protect the housing stock and the tax base. For example, Havre used CDBG Housing Rehabilitation money and Section 8 rehabilitation funds for 30 units. They asked the banks to subsidize up to fair market value, then offered landlords a subsidized rental contract.

AFFORDABLE HOME OWNERSHIP OPPORTUNITIES

Home ownership gives people pride, a sense of community, equity for the future, and a stake in maintenance. But, where there is no affordable housing stock available to purchase, home ownership opportunity programs can have little impact. Most urban Montana communities

are experiencing severe shortages of affordable single-family homes. As in the case of rental housing, low- and moderate-income home buyers must compete with middle and upper income home buyers for a relatively fixed number of units. In areas with high demand for more homes, there has been little new construction in recent years. Where new construction is taking place, particularly in Bozeman, Kalispell, and Missoula, most new units are for high-income buyers. Older units that are available within the price range for low- and moderate-income buyers often require substantial rehabilitation.

Where it might be a natural evolution for individuals and families to move from rental units into single-family homes, it is not always possible. Even in those cases where the monthly mortgage payment would be significantly lower than rental costs in a non-subsidized units potential buyers often lack the funds for a down payment and other closing costs. As noted above, qualified buyers--those who have the incomes to support home ownership--sometimes have difficulty finding qualified houses (i.e., those that meet FHA and VA guidelines).

REPAIR AND MAINTENANCE ASSISTANCE

Elderly Montanans on fixed incomes, people with disabilities, and people with chronic illness often are unable to maintain their homes. They lack the financial or physical resources for normal repair and maintenance. As homeowners become unable to maintain their homes, the condition of the home worsens. Many of these homeowners prefer to remain in their homes and receive rehabilitation and maintenance assistance rather than live in low-rent units, assisted care facilities, or with other members of their families. The scarcity of low-rent or assisted care options often leaves them with limited choices.

Elderly Montanans constitute the largest single group of single-family homeowners. More than half (58 percent) of Montana's elderly population own homes. According to a recent study by the Governor's Office on Aging, 61 percent have lived in their homes at least 20 years. According to the 1990 Census, 62 percent of Montanans over age 60 live in rural areas, with the highest concentration in eastern Montana. There is a cost savings connected to lengthening the period of elderly independence. The biggest problem for the elderly is affordability of existing housing. Rising costs for maintenance and utilities become prohibitive for those on fixed incomes, even when the mortgage is paid off.

ASSISTANCE FOR MANUFACTURED HOME AND MOBILE HOME OWNERS

For many Montanans, mobile homes represent one of the most available affordable housing alternatives. There are more than 54,000 mobile homes in the State, and officials estimate that between 114,000 and 160,000 Montanans live in mobile homes. There is a strong demand for mobile homes as a viable option for single-family home ownership. *In the last decade*, 79 percent of the increase of housing stock in Missoula was mobile homes. Lending institutions are seeing a rise in applications for mobile home financing since there are few other options. Financing applications have shifted from $40,000 conventional homes (of which there

are none on the market) to $20,000 mobile homes plus $10,000 for land, wells, and septic systems.

Mobiles may be affordable on a square footage basis, but quality standards have not been comparable. In the past, poor planning and quality standards have caused mobile homes to deplete surrounding property values, cause traffic problems, over burden sewer and water systems, and constitute a health hazard. Mobile homes also are not subject to the same building code review as permanently constructed homes. There have been concerns about weatherization, structural standards, and ADA compliance. Although the homes themselves are affordable, many people do not have and cannot get the money to include the cost of the lot in their loans.

Use of mobile homes varies across the State. In some places, such as Havre, mobile homes constitute 30 percent of a community, and individual sites for mobile homes are plentiful, with existing mobile homes courts near capacity. There are not many courts in Chinook or Chester.

There is only one mobile home area in Livingston designated by zoning. There are many lots available on the east and north side. Most mobile homes are on 20 acre parcels with septic systems. Taxes are low, and the homes are in good shape. There is one mobile home park filled with pre-HUD standard trailers. Although most of the trailers are old, they are allowed on individual lots in portions of the city. Much of the area where mobile homes are allowed is in the flood plain, so it must first be surveyed, then elevated two feet above flood level. This adds significant additional cost for surveying and landscaping.

In Helena, living in a mobile home generally means living in the valley up to ten miles from town. Transportation becomes a problem, as does the high cost of utilities. Mobile home rentals are tight in Missoula. About 80 percent are in rural areas (so transportation is a problem). If they are available, the units are usually in poor condition. Because of the housing squeeze, demand is high, and so are prices. A four-bedroom double-wide mobile home rents for around about $725, a two-bedroom single-wide for $450. Spaces for mobile homes on lots are non-existent in Great Falls, Billings, Park County, Gallatin County, Missoula County, and Kalispell.

Use of mobile homes is declining in some parts of eastern Montana, where housing is not as tight. The four mobile home courts in Glendive are in decline, in the wake of the bust of the oil boom. People abandoned their mobile homes, leaving the banks to sell them as vacation homes to recover financing costs. Mobile homes are also in decline in Sidney, dropping from about 500 to less than 100 today. Renting a lot is expensive, and the total cost for a mobile home plus lot rental is approximately equal to the cost of renting a conventional home.

Mobile home accessibility is a problem because of size limitations. They are inaccessible for wheelchair users, unless they are custom made. Title III of ADA places new construction standards on mobile home manufacturers as well as new housing construction. Nationwide,

about 12 percent of physically disabled adults live in mobile homes. Mobile homes do provide an affordable ownership option. The Rural Institute on Disabilities is working on a research project in cooperation with the North Carolina Center for Accessible Housing to design accessible manufactured homes.

There is a desperate need for the affordable option manufactured housing provides. However, it appears difficult to develop new courts or individual spaces. The public image of mobile homes needs to be improved. Manufactured housing of today meets high standards for quality in both design and materials. For example, new electrically heated mobile homes manufactured for western Montana are now super-insulated under the Super Good Cents Program.

ASSISTANCE FOR SINGLE PARENT FAMILIES AND FAMILIES WITH SUPPORTIVE NEEDS

There is a growing number of single head-of-household families, the majority headed by women. More particularly, 35,139 families with children, or 17 percent of all family households in the State, are headed by one parent. Of those, 75.6 percent are headed by single women and 24.4 percent by men. These families find few affordable units that provide supportive services. Many families on waiting lists are headed by one parent.

In the major cities, some PHA managers have noted that many of the families they serve need counseling, day care, chemical dependency programs, and employment assistance.

LOW-RENT CONGREGATE CARE FACILITIES FOR ELDERLY MONTANANS

Congregate care facilities foster independent living while providing limited shared services such as meals, recreation facilities, and on-call medical services. The congregate care approach recognizes the elderly housing issues cannot be dealt with in isolation. For those elderly who do not wish to live in a nursing home but do require some assistance, congregate care facilities offer an attractive alternative.

The need for more units of congregate care appears to be specific to particular areas of the State which serve as retirement centers. For example, Missoula is becoming an attractive area in which to retire because of its excellent health care and the cultural and educational activities of the university. Other communities which identified the need for more congregate care facilities include Butte, Glendive, Wibaux, Great Falls, Havre, Kalispell, and Wolf Point. Elsewhere in the State, the need is for adequate funding of existing units, and the provision of a more comprehensive range of housing and care options for the elderly.

HOUSING FOR DISABLED PERSONS AND THOSE REQUIRING SUPPORTIVE SERVICES

As housing has become more scarce and less affordable, people with disabilities have joined many others on waiting lists for low-cost rental units and other subsidized units. Disabled accessible units that are not subsidized are usually more expensive because of the increased square footage required for wheelchair accessibility and other modifications.

The primary concern for disabled people is accessibility. Many of the units in the State were constructed without adequate accessibility. Many disabled people requiring disabled accessibility would prefer to remain in existing homes or apartments. These units often require renovation for access. Usually, disabled people do not have the income to pay for the necessary renovation and for the removal of the renovations (as required by the ADA), should they move elsewhere. As a result, many disabled people are living in units that do not meet their basic needs for accessibility.

The need for accessible units is compelling across the State. In Great Falls, the Mobility Impaired Task Force has been trying for two years to get funding to build 24 units. Missoula is rapidly becoming a regional center for disabled people, as it offers strong medical and rehabilitative services. Missoula succeeded in building these 24 units of mobility-impaired housing in the summer of 1992. It was full within six weeks of opening, and now has a long waiting list. Given the shortage of affordable accessible units, young adults with disabilities tend to live at home. Again, remodeling to fit their needs is prohibitively expensive.

Over the past twenty years, Montana has deinstitutionalized many people with mental illness or developmental disabilities. Group homes have been established in some areas to help meet the needs of the developmentally disabled. In Helena, this housing is extremely limited. Little corollary effort has been made to secure housing for the deinstitutionalized mentally disabled. Particularly in those areas where housing is tight, the mentally disabled are forced to compete with all the other low-income populations for scarce housing and housing assistance.

An additional requirement of the Americans with Disabilities Act is "reasonable accommodations." Problems may arise as to the extent services are needed, expected, and legally required. This consideration could dissuade landlords or developers from accepting people with disabilities.

B.1.B ESTIMATES OF VERY LOW, LOW, AND MODERATE INCOME NEEDS

i. ESTIMATES OF NEED BY VERY LOW-INCOME HOUSEHOLDS

There are nearly 40,000 households throughout the State that are considered very low income renters; another 75,000 households are very low income homeowners. The two income groups, make less than 50 percent of the State's median family income, or half of $28,044. Of the low-income renters, nearly 10,000 are elderly one and two member households, over 13,000 more are small related households, and another 3,300 are large related households. Of

homeowners, 17,150 are elderly. The majority of these groups have some sort of housing problem. In particular, for Montana, these households make less than $14,000 per year and are having difficulty with locating affordable housing that is suitable for habitation.

ii. ESTIMATES OF NEED BY OTHER LOW-INCOME HOUSEHOLDS

For the other low-income household category, far fewer households are categorized here. There are about 21,250 renter households and 56,000 owner-occupied households. Of the renters, 3,400 are elderly and nearly 2,000 are large families. Of the home owners, 14,000 are elderly. This groups also is having difficultly locating affordable housing that is suitable for habitation.

iii. ESTIMATES OF NEED BY MODERATE INCOME HOUSEHOLDS

There are about 8,400 renter households with incomes 81 to 95 percent of the State's median family income. Of these 904 are elderly and 784 are large families. However, 27,033 of Montana's households fit moderate income classification and are homeowners. Twenty-five percent of the large family renter households are experiencing housing problems; and 25 percent of all the "all other owners" classification are experiencing housing problems.

iv. SUMMARY

Of the 306,919 households in Montana, 45 percent of the large family renters were having housing difficulties during the 1990 Census. Of the elderly homeowners, 66 percent are having some form of housing difficulty. Overall, 75 percent of all Montana's households make less income than the national average median family income of about $36,000.

B.1.C. CLASSIFICATION OF MONTANA'S HOUSING REQUIREMENTS

Montana's housing needs fall into four broad categories: availability, affordability, accessibility, and suitability. Within these categories there is widespread need for construction, rehabilitation, expansion, financing, ownership opportunities, demolition, and coordination and continuity. Each is defined below.

HOUSING AVAILABILITY

Lack of available housing is the major statewide problem. In many parts of the State, there is nothing available. Housing is extremely tight, and what is available is often substandard. Despite census numbers to the contrary, Montana's major cities are experiencing a dramatic population influx that is driving up the demand for housing.

In Kalispell, Missoula, Bozeman, Helena, and Billings, that influx is comprised of higher income households. In those areas, the available housing stock is near zero vacancy rate.

People who can afford housing are willing to settle for low-rent units while awaiting better opportunities; but this forces low-income residents to loose housing options. This activity increases the incidence of homelessness because households can no longer afford housing. Furthermore, the only housing being built is up-scale and profitable. Little, if any, affordable housing is being built. Complicating this issue is that there has been a slow down in the turn-over of existing subsidized housing. It is difficult to find any housing, particularly housing affordable to the low- and moderate-income population.

HOUSING AFFORDABILITY

While affordability varies significantly around the State, it is a bigger problem in the more urbanized areas; the tight market and general lack of housing stock have pushed prices up. Now there is a huge gap between housing prices and what people can afford to pay. The crisis is particularly acute in several Montana communities that have experienced rapid growth over the last two or three years.

Missoula's situation is representative of cities and towns in the western half of the State. Section 8 landlords are increasing rents at annual review, citing prevailing market rates, tax, and sewer increases. Some are simply leaving the program, citing three main reasons: (1) HUD certificates limit annual rent increases; (2) certificate participants cannot pay more than 30 percent of their income, thereby effectively limiting further certificate use; and (3) voucher participants cannot afford to pay the increased amount over and above the voucher. Rent for an average two-bedroom unit had increased 22 percent from April 1990 to April 1992, before the July 1992 cycle of rent increases.

Data from other communities confirms this picture. Units on the south side of Billings have gone from $250 per month to $400 per month in the last year. In Kalispell, new housing requires 50 percent of an average person's $27,000 in gross income. In Livingston, housing was basically affordable until 1992, after which rents rose. Today they tend to be double the 1992 amounts. A critical shortage is developing. A significant number of people are paying more than 30 percent of their income; statewide, it is difficult to find an apartment that is affordable for a family with an income of $10,000.

HOUSING ACCESSIBILITY

Because of the Americans with Disabilities Act (ADA), housing accessibility has become a visible need across the State. Accessibility is a problem unless the unit was specifically built for people with disabilities. Modification of existing rental units is difficult to accomplish and the modifications must be removed and the unit restored to its original condition when the disabled tenant leaves. Most people with disabilities cannot afford to do this, and landlords are often unwilling to incur long-term expenses for prospectively short-term tenants. Resolution of this issue presents a challenge for all involved.

HOUSING SUITABILITY

Outside Montana's metropolitan areas, a major problem pertains to dilapidated housing. Although many people live in their own homes, incomes are not high enough to maintain their homes. In Havre, the major problem for all groups is quality, affordable, and decent housing. Affordable rental housing is available, but it is not in good condition. In Harlem, nearly all existing housing is in poor condition. In Park County, most available houses are also in poor condition. Many of these homes are 100 years old, built on sandstone foundations, have out-of-date wiring, use gas venting chimneys for wood stoves, and are poorly insulated.

In these areas, lack of return on investment is the major problem for landlords of housing that needs rehabilitation. Landlords do not want to lose their present tenants. They cannot borrow money and incur debt when they cannot afford to dislocate tenants or raise the rents to meet their debt service.

SUMMARY

Each of the above issues have pointed to the extreme need for affordable housing. First time homebuyers are having extreme difficulty purchasing a home, due to low pay and high home costs. Down payments make the step to homeownership difficult, if at all possible. CHAS Table 1C, presented on the following page, offers a tabular assessment of Montana's Current need for housing.

CHAS Table 1C

Housing Assistance Needs of
Low & Moderate Income Households

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Comprehensive Housing Affordability Strategy (CHAS)
Instructions for States

Name of State or Sub-State Area: Montana

Source of Data: CHAS Databook

Data is current as of the following date:

Five Year Period: FY 1994 through FY: 1998

Household by Type, Income, & Housing Problem	Renters					Owners			
	Elderly 1 & 2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Households (D)	Total Renters (E)	Elderly (F)	All Other Owners (G)	Total Owners (H)	Total Households (I)
1 Very Low Income (0 to 50% MFI)*	9,586	13,242	3,329	14,642	40,799	17,153	4,807	33,989	74,788
2. 0 to 30% MFI*	4,759	7,452	1,794	8,303	22,308	6,351	2,550	14,194	36,502
3 % with any Housing Problems	48%	78%	82%	80%	76%	67%	72%	71%	74%
4 % Cost Burden > 30%	60%	77%	71%	78%	73%	65%	68%	68%	71%
5. % Cost Burden > 50%	37%	60%	51%	64%	56%	35%	50%	45%	51%
6 31 to 50% MFI*	4,827	5,790	1,535	6,339	18,491	10,802	2,257	19,795	38,286
7. % with any Housing Problems	54%	64%	69%	70%	64%	30%	53%	43%	53%
8 % Cost Burden > 30%	52%	60%	46%	67%	59%	29%	50%	40%	49%
9 % Cost Burden > 50%	18%	14%	11%	17%	16%	9%	22%	17%	16%
10 Other Low-Income (51 to 80% MFI)	3,407	8,513	1,917	7,417	21,254	14,138	4,319	35,061	56,315
11. % with any Housing Problems	37%	28%	37%	27%	30%	12%	41%	35%	33%
12. % Cost Burden > 30%	36%	24%	13%	24%	25%	12%	39%	26%	25%
13. % Cost Burden > 50%	4%	2%	1%	1%	2%	4%	11%	7%	5%
14. Moderate Income (81-95% MFI)*	904	3,932	784	2,761	8,381	5,650	2,089	18,652	27,033
15. % with any Housing Problems	14%	7%	25%	7%	10%	7%	25%	20%	17%
16. % Cost Burden > 30%	12%	3%	2%	5%	5%	7%	25%	17%	13%
17. % Cost Burden > 50%	2%	0%	0%	0%	0%	2%	4%	2%	2%
18. Total Households**	16,590	39,239	8,373	33,875	98,077	60,937	22,828	208,842	306,919
19 % with any Housing Problems	43%	32%	45%	40%	37%	66%	29%	19%	25%

* Or, based upon HUD adjusted income limits, if applicable

form HUD-40091-A (1/93)

FIVE YEAR FORECAST
ECONOMIC, DEMOGRAPHIC, AND POPULATION STATISTICS

The following discussion addresses a forecast of employment and earnings by industry, unearned income sources, population by age and sex cohorts, and household formation annually through the year 2015. While presented here at the State level, all Montana's fifty six counties have similar annual forecast data; and, for the purpose of assisting local jurisdictions with planning issues, the county level economic and demographic forecast is available in similar from the MDOC.[22] The data presented herein is in tabular form, in Tables 1.46 through 1.51, and presented below.

Statewide, employment growth is expected to slow, falling from a 1.8 percent growth rate between 1967 and 1992 to a 1.2 percent rate of growth over the 1992 through 2015 period. this slower growth still has employment rising to nearly 600,000 by the year 2015. Employment in the agricultural sector continues falling, shedding some 5,000 jobs over the period. The largest percent employment expansions will come from increase in retail trade, finance-insurance-real estate, and services. However, these wage sectors are typically some of the lowest paying sectors. For example, retail trade workers made $12,970 in 1967, but by 1992 this had fallen in real terms to less than $10,000. In finance-insurance-real estate, wage earners average $15,971 in real terms in 1967, but this has fallen about 30 percent, to $10,601 in real terms by 1991. Persons who may remain employed in these lower paying sectors will continue to face difficulties affording adequate and suitable housing; furthermore, no appreciable growth will occur at all in manufacturing employment and extremely modest rises in mining employment. The traditionally higher paying industrial jobs will not keep pace with overall employment growth.

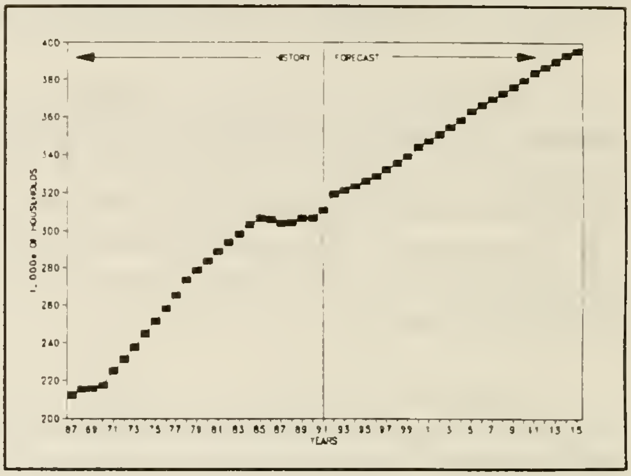
On the other hand, wage and salary income will rise over the forecast horizon, due to rising productivity and the disappearance of recessionary pressures. Earnings alone will increase from 7.4 billion in 1992 to nearly 12 billion (real 1987 dollars) by the year 2015. Average real earnings per worker will increase over the forecast horizon; but, as noted above, the distribution of earnings will not be equitably distributed over the economy. The net results indicate that per capita income will rise from about $14,000 in 1992 to over $18,600 (real 1987 dollars) by the year 2015. On the surface, it would appear that with greater rates of pay, affordability may ease somewhat.

Statewide population will continue to rise, placing pressure on the housing market. Population is expected to increase from about 824,000 in 1992 to about 866,700 in 2000, and to 956,000 by 2015. Furthermore, household formation will rise by nearly 77,000, with the

[22] Data has been provided by the Census and Economic Information Center (CEIC). Historic data, comprising the years 1969 through 1991 are from the US Department of Commerce, Bureau Economic Analysis, Regional Economic Information System. The most recent two years of this data is revised annually, with new benchmarks every five years; 1993 is a benchmark year. Forecast data was purchased by the CEIC from the National Planning Association, Data Services, Washington D.C. (NPA). This is their August 1993 forecast. The NPA forecast is revised twice annually. CEIC's subscription is for annual revisions; this forecast was released in May, 1993. The CEIC can provide additional data pertaining to each county in the state of Montana and may be contacted by calling (406) 444-2896.

steepest rises occurring within the 1992 through 1998 period. Diagram 1.12, at right, portrays the household forecast. As seen, another 25,000 housing units must come into the market within the next five years. If some parts of the population receive higher wages, prices will tend to follow demand. Those individuals without higher paying job skills will continue to face worsening housing affordability problems.

DIAGRAM 1.12
HOUSEHOLD FORMATION IN MONTANA



ANTICIPATED CHANGES IN NEED

Montana does not see new housing needs arising over the forecast horizon. However, the degree of need for those who are unable to ride the prospective economic upswing will fall increasingly into housing stock that may have environmental hazards, may be unsuitable for adverse weather conditions, or may be overcrowded.

Current economic and housing market conditions favor middle to upper income households, where the purchase of single-family homes is strong and construction activity is good. Low- and very-low-income households are experiencing the lower quality housing, are more crowded in their homes, face greater chances of having lead-based paint hazards, and see significant affordability problems. Market conditions are impeding the formation of affordable home ownership opportunities and are not generating sufficient rental housing to alleviate problems faced by renters. Low income large families face overcrowding a majority of the time in several local communities. The needs of these low income groups remain unmet.

While near-term employment and population forecasts predict some slowdown in job growth and population in-migration, releasing some pressure on the housing market, current affordability problems will persist or worsen into the future for both first-time homebuyers and renters. Currently, affordability problems are faced by large, low-income families, all other low-income households, and all renter households.

Without significant market intervention, the direction of the housing market may pass by current in-need groups. These groups will therefore continue to go without affordable housing and may face increasingly difficult, overcrowded, unsuitable, or hazardous housing conditions. Economic theory suggests that market intervention actions that produce additional affordable home ownership opportunities or increase the supply of affordably priced rental properties will dampen the rising degree of need for affordable housing in the State.

KEY FOR TABLES

FARM = Farming
AFF = Agriculture, Fishery, and Forestry Services
MIN = Mining, Both Mineral and Non-mineral
CONST = Construction
MFG = Manufacturing
TCPU = Transportation, Communications, & Public Utilities
WHS = Wholesale Trade
RTS = Retail Trade
FIRE = Finance, Insurance and Real Estate
SRVC = Services
FED C = Federal Civilian Government
FED M = Federal Military Government
S&LG = State and Local Government
TOTAL = Total employment
F SE = Farm self employed persons
NF SE = Non farm self employed persons
W&S = Wage and salary employment

TOTAL POW = Total Earnings by Place of Work, Real 1987 Dollars
SSI = Social Insurance Contributions, Real 1987 Dollars
RADJ = Residence Adjustment, Real 1987 Dollars
DIR = Dividends, Interest, and Rents, Real 1987 Dollars
TP = Transfer Payments, Real 1987 Dollars
T POR = Total income by Place of Residence, Real 1987 Dollars
PC INC = Per Capital Income, Real 1987 Dollars

TABLE 1.47
HISTORIC AND FORECAST EMPLOYMENT DATA FOR MONTANA

1,000s OF JOBS

YEAR	FARM	AFF	MIN	CONST	MFG	TCPU	WHS	RTS	FIRE	SRVC	FED C	FED M	S&LG	TOTAL	F SE	NF SE	W&S	TOTAL
1967	41.04	2.23	5.83	15.47	23.48	18.41	9.42	45.39	11.27	47.65	12.36	15.22	35.37	282.93	29.19	31.42	222.32	282.93
1968	39.78	2.40	5.65	14.78	23.93	18.35	9.60	46.07	11.55	48.49	11.71	12.40	36.70	290.41	26.69	31.13	220.59	290.41
1969	37.89	2.28	6.58	14.54	25.64	18.87	10.41	48.91	12.83	51.40	11.80	11.17	37.95	290.08	26.43	35.93	227.82	290.08
1970	37.63	2.38	6.83	14.99	25.31	18.84	10.72	48.52	13.33	52.38	12.03	11.32	38.18	294.42	26.14	38.72	231.57	294.42
1971	38.11	2.65	5.66	15.75	25.04	18.01	10.84	51.21	13.32	54.83	11.84	11.43	41.56	301.27	25.73	38.21	237.33	301.27
1972	37.93	2.87	6.50	17.78	25.51	18.81	11.71	53.33	14.13	58.21	12.38	11.24	42.34	313.92	25.12	41.28	247.51	313.92
1973	37.96	3.09	7.02	18.99	25.82	20.74	12.21	56.42	15.72	61.28	12.20	11.66	43.78	326.99	24.74	43.21	259.04	326.89
1974	38.51	3.31	7.83	18.35	25.93	22.00	12.98	58.51	16.87	63.06	13.00	11.79	45.78	338.5	24.15	45.22	269.13	338.5
1975	35.27	3.25	8.87	19.11	24.69	22.00	15.64	57.44	17.13	65.35	13.54	11.22	47.71	339.01	22.81	46.98	269.12	339.01
1976	33.37	3.34	8.37	20.99	25.78	22.52	16.38	62.03	18.24	71.41	13.42	10.74	48.68	353.21	22.71	51.31	279.2	353.21
1977	31.80	3.48	8.64	23.40	27.35	23.44	16.91	64.83	19.73	75.18	13.24	10.18	49.81	368.07	22.77	55.07	289.23	368.07
1978	31.86	3.77	7.65	25.14	28.80	24.86	17.87	70.04	21.52	80.37	13.84	10.10	51.18	386.8	22.72	58.96	305.02	386.8
1979	34.08	3.60	8.38	23.98	29.01	28.36	18.55	70.53	22.52	81.88	14.00	9.79	51.27	393.89	23.48	58.87	311.55	393.89
1980	32.87	3.74	8.41	22.32	28.19	29.21	19.93	68.78	22.95	82.98	13.85	9.23	51.92	389.36	22.62	58.86	307.88	389.36
1981	33.48	3.92	11.90	21.10	25.91	28.43	19.15	69.47	23.74	84.33	13.64	8.12	51.12	391.39	22.53	60.42	308.44	391.39
1982	33.22	4.18	10.38	22.15	22.38	25.81	18.18	69.94	23.91	85.44	13.13	7.98	50.94	387.66	22.49	63.95	301.22	387.66
1983	34.11	4.69	8.44	22.94	24.20	24.56	17.91	71.02	24.64	88.61	13.08	8.54	51.41	394.32	23.82	67.43	302.97	394.32
1984	33.17	4.95	8.79	23.15	24.89	25.71	18.30	73.29	25.95	93.73	12.85	8.48	52.19	405.42	23.52	74.23	307.68	405.42
1985	32.27	4.85	7.62	21.70	24.23	25.50	17.43	72.45	26.35	97.15	12.87	8.34	57.58	403.33	23.38	76.88	303.09	403.33
1986	32.12	4.95	8.54	20.18	23.71	24.38	18.07	71.05	26.03	98.64	12.70	8.62	53.19	399.19	22.88	77.12	299.19	399.19
1987	32.32	5.37	8.80	19.34	23.47	23.86	15.61	71.59	25.61	102.92	13.16	8.97	52.76	400.97	22.67	77.54	300.75	400.97
1988	31.88	5.51	8.95	18.35	23.82	23.82	15.64	74.08	26.37	108.68	13.55	9.09	53.69	409.5	22.74	78.88	307.89	409.5
1989	31.04	5.45	7.00	19.29	24.90	23.88	16.44	76.58	25.89	110.29	13.78	8.51	54.35	418.23	22.86	78.92	316.45	418.23
1990	31.01	5.63	7.00	20.25	25.04	24.12	18.51	77.58	26.00	114.17	13.84	9.21	65.58	426.03	22.85	80.1	323.07	426.03
1991	30.45	5.63	8.57	21.63	24.42	24.45	16.80	80.96	28.77	117.19	13.27	9.24	56.34	433.73	22.95	81.66	329.12	433.73
1992	30.70	5.61	6.81	24.21	25.41	24.73	17.14	84.58	28.43	123.83	13.84	9.60	58.27	452.04	23.19	81.71	347.15	452.04
1993	30.87	5.78	7.18	24.85	25.83	25.28	17.51	88.88	29.15	127.83	13.80	8.02	59.43	462.04	23.21	84.04	354.79	462.04
1994	30.43	5.87	7.28	25.30	25.87	25.58	17.76	89.58	29.70	131.24	13.51	7.88	61.91	470.63	23.08	85.71	361.85	470.63
1995	30.06	5.86	7.33	25.69	26.00	25.79	17.94	89.92	30.13	134.04	13.44	7.27	63.67	477.22	22.84	87.05	367.33	477.22
1996	29.91	6.10	7.45	26.27	26.20	26.18	18.24	91.93	30.78	137.80	13.35	6.98	65.53	486.69	22.78	89.02	374.91	486.69
1997	29.70	6.22	7.55	26.82	26.38	26.52	18.52	93.78	31.37	141.35	13.28	6.72	66.08	494.29	22.65	90.86	380.78	494.29
1998	29.45	6.34	7.64	27.07	26.41	26.77	19.76	95.44	31.94	144.75	13.33	6.49	67.00	501.39	22.48	92.45	386.46	501.39
1999	29.18	6.47	7.73	27.32	26.45	27.02	19.01	97.08	32.48	148.15	13.38	6.28	67.91	508.48	22.32	94.04	392.12	508.48
2000	28.91	6.59	7.82	27.56	26.48	27.26	19.26	98.75	33.06	151.61	13.46	6.06	69.12	515.93	22.14	95.64	398.15	515.93
2001	28.61	6.70	7.90	27.80	26.47	27.47	19.48	100.32	33.59	154.84	13.51	5.86	69.81	522.44	21.94	97.15	403.35	522.44
2002	28.43	6.78	8.01	28.10	26.49	27.61	19.70	101.60	34.28	157.76	13.63	5.85	70.56	528.79	21.83	98.54	408.42	528.79
2003	28.23	6.86	8.11	28.38	26.49	27.74	19.81	102.93	34.96	160.49	13.74	5.85	71.35	534.94	21.7	99.87	413.37	534.94
2004	28.01	6.94	8.21	28.67	26.50	27.86	20.11	104.04	35.65	163.23	13.86	5.85	72.14	541.06	21.57	101.19	418.3	541.06
2005	27.81	7.04	8.32	28.97	26.51	27.98	20.32	105.31	36.36	166.07	13.99	5.85	72.95	547.46	21.44	102.56	423.46	547.46
2006	27.58	7.12	8.42	29.25	26.50	28.11	20.52	106.54	37.07	168.89	14.12	5.85	73.77	553.75	21.3	103.81	428.54	553.75
2007	27.39	7.21	8.53	29.54	26.49	28.24	20.72	107.88	37.81	171.85	14.24	5.85	74.60	560.33	21.17	105.3	433.85	560.33
2008	27.16	7.29	8.63	29.81	26.45	28.35	20.90	109.09	38.53	174.70	14.38	5.85	75.39	566.51	21.02	106.62	438.87	566.51
2009	26.91	7.37	8.72	30.05	26.38	28.44	21.06	110.22	39.23	177.41	14.51	5.85	76.10	572.25	20.85	107.85	443.55	572.25
2010	26.62	7.44	8.80	30.25	26.27	28.49	21.18	111.22	39.88	179.92	14.65	5.85	76.94	577.54	20.65	108.94	447.95	577.54
2011	26.43	7.49	8.85	30.38	26.11	28.47	21.28	111.95	40.46	182.93	14.79	5.85	77.52	582.51	20.52	109.89	452	582.51
2012	26.21	7.54	8.89	30.46	25.90	28.40	21.33	112.52	40.89	185.70	14.93	5.85	77.88	586.69	20.36	110.88	455.45	586.69
2013	25.95	7.57	8.92	30.50	25.67	28.31	21.35	112.88	41.46	188.31	15.08	5.85	78.40	590.35	20.19	111.67	458.49	590.35
2014	25.68	7.60	8.95	30.52	25.43	28.20	21.37	113.39	41.93	190.87	15.22	5.85	78.60	593.81	19.89	112.41	461.4	593.81
2015	25.38	7.63	8.98	30.53	25.17	28.07	21.38	113.70	42.37	193.20	15.38	5.86	79.13	596.84	19.78	113.06	464	596.84

TABLE 1.48
HISTORIC AND FORECAST EARNED AND UNEARNED INCOME DATA FOR MONTANA
1,000,000s OF 1987 DOLLARS

YEAR	FARM	AFF	MINING	CONST	MFG	TCPU	WHOLE	RETAIL	FIRE	SERVICE	FED C	FED M	S&LG	T POW	SSI	RADJ	DIR	TP	T POR	PC INC	T POP
1967	585.63	18.16	135.32	345.48	500.07	431.88	213.87	588.56	178.89	578.95	261.63	171.54	486.87	4519.48	209.11	2.65	962.07	568.51	5826.87	8314.6	700.8
1968	581.89	19.32	135.61	343.8	525.51	445.54	217.69	596.21	188.78	589.33	264.22	143.93	517.03	4580.45	213.56	2.76	952.78	608.72	5914.02	8449.8	699.8
1969	726.42	29.59	182.41	367.71	576.01	487.38	252.28	686.12	205.66	710.03	278.33	123.88	565.86	5178.26	240.39	3.58	900.9	692.58	6521.27	9392.59	684.3
1970	834.45	29.81	173.84	392.88	587.43	464.15	257.97	693.1	203.23	731.27	309.38	134.54	601.38	5428.12	250.48	3.04	963.48	770.86	6903.22	9897.09	697.5
1971	698.55	34.78	147.42	413.04	574.11	518.28	261.86	723.56	218.56	753.96	315.61	138.78	652.61	5456.81	263.41	2.05	942.85	854.59	6983.02	9821.41	711
1972	1066.2	42.47	175.78	491.8	603.33	587.81	286.39	776.01	228.53	811.07	342.94	149.22	687.15	6223.21	281.82	1.16	893.22	914.19	7842	10905.3	719.1
1973	1497.21	48.09	197.88	498.68	622.12	801.9	303.01	831.67	235.16	857.03	348.5	158.78	728.82	6835.37	332.29	0.27	1129.22	1000	8726.86	12005.58	726.8
1974	1075.57	50.81	230.98	503.73	627.55	625.02	336.51	836.53	228.25	865.03	358.79	151.89	744.65	6839.07	336.16	1.8	1183.19	1066.16	8548.84	11598.24	737.7
1975	849.65	48.11	226.98	507.51	609.68	618.46	386.61	815.78	243.86	824.84	398.49	140.08	605.57	6581.82	336.62	0.33	1192.8	1195.08	8627.3	11510.74	749.5
1976	465.58	52.81	208.44	591.25	659.05	680.12	416.64	882.14	281.74	1044.66	373.08	137.88	642.1	8638.4	374.72	1.84	1244.37	1259.92	8785.07	11555.8	750.5
1977	154.49	60.05	215.87	680.17	718.54	721.13	425.64	810.05	305.77	1117.01	367.35	126.96	664.63	6674.29	392.91	2.72	1353.4	1301.01	8933.17	11580.46	771.4
1978	560.11	57.94	248.39	725.42	771.88	769.55	444.32	853.18	338.81	1188.15	373.24	122.71	884.64	7454.53	404.82	1.74	1483.14	1334.04	9859.98	12576.48	784
1979	381.6	53.67	283.8	674.35	786.06	606.18	488.05	944.88	338.73	1232.16	373.04	114.04	890.37	7350.1	395.32	1.64	1803.12	1378.38	9931.98	12586.33	789.1
1980	392.45	40.58	328.87	624.47	706.11	782.19	472.8	858.64	307	1231.69	360.72	104.13	878.7	7101.98	382.85	10.2	1889.27	1470.73	9855.98	12491.81	788
1981	446.4	44.02	406.46	544.68	670.38	283.03	482.02	827.61	281.58	1251.13	357.2	104.8	876.16	7077.96	417.47	15.26	1876.59	1548.04	10097.91	12696.83	795.31
1982	227.39	35.97	344.34	553.75	571.66	798.62	431.73	813.54	278.07	1246.14	342.45	106.18	812.88	6666.33	424.65	20.79	1973.95	1639.49	9873.28	12280	804.01
1983	135.32	62.71	273.84	537.89	609.8	758.01	411.82	835.63	288.03	1284.58	345.34	107.58	938.44	6603.45	424.5	20.71	1862.57	1703.04	9982.9	12114.73	814.12
1984	78.6	54.78	269.54	486.71	624.47	763.51	418.76	830.8	286.41	1357.58	348.19	105.35	953.56	6621.55	438.41	14.45	2037.78	1722.8	9954.67	12124.76	821.02
1985	7.93	45.06	242.59	459.48	592.81	740.41	392.91	783.84	290.89	1398.62	352.13	104.37	967.25	6391.29	451.97	14.3	2048.95	1783.57	9763.14	11969.39	822.55
1986	379.38	38.53	205.13	415.18	572.96	720.4	357.26	248.41	281.41	1449.53	334.74	107.42	956.59	6578.57	466.21	12.62	1977.77	1883.3	9984.41	12267.87	813.87
1987	437.2	52.01	202.44	359.97	556.95	691.48	348.45	730.37	332.63	1491.38	345.22	111.2	940.73	6602.44	451.93	10.89	1935.38	1889.17	9983.54	12398.55	805.22
1988	224.79	50.21	224.6	359.72	550.56	684.21	341.85	760.42	320.78	1566.09	366.33	111.46	927.73	6491.53	479.82	12.59	1981.1	1935.68	9938.27	12417.14	800.37
1989	528.76	49.7	229.9	362.83	564.61	659.95	355.28	777.68	281.24	1631.42	360.96	119.35	908.54	6831.15	503.58	12.69	2355.14	1947.1	10639.36	13305.21	799.64
1990	392.45	51.09	225.48	358.85	581.58	654.38	354.78	776.32	284.44	1698.77	363.76	117.3	914.3	6758.35	507.77	13.8	2389.26	2013.08	10661.96	13348.02	798.77
1991	521.28	49.56	222.99	370.56	543.38	658.18	356.1	787.07	283.79	1740.77	359.96	121.47	938.75	6978.51	531.85	15.96	2299.73	2168.07	10915.76	13502.28	809.44
1992	550.98	50.41	238.39	426.88	577.89	678.73	370.88	849.64	308.87	1880	368.72	116.92	983.84	7382.65	586.7	2.19	2278.12	2447.08	11541.34	14006.43	824
1993	535.02	52.18	250.12	441.73	593.46	698.36	381.98	878.38	319.98	1856.29	362.8	113.45	992.38	7577.26	586.55	2.29	2450.52	2350.31	11789.25	14250.48	827.29
1994	537.71	54.15	257.96	457.18	607.93	718.45	394.08	911.01	332.18	2039.11	358.82	111.58	1042.68	7822.85	614.1	6.35	2518.42	2288.13	11986.78	14404.66	832.14
1995	540.31	58.12	286.55	474.02	622.1	738.3	406.71	944.12	345.06	2125.7	355.25	109.3	1126.11	8110.63	645.18	10.33	2599.2	2204.18	12258.49	14623.52	838.27
1996	539.53	57.88	273.08	488.14	631.99	755.18	416.48	871.21	355.65	2188.81	352.11	107.61	1127.44	8275.21	668.15	15.01	2864.94	2242.66	12499.65	14807.06	844.17
1997	538.3	59.6	278.88	502.81	642.04	771.09	426.41	899.68	366.43	2273.38	349.21	108.96	1147.52	8482.09	693.07	18.66	2734.32	2278.38	12782.05	15016.51	849.87
1998	536.23	61.26	285.7	511.69	649.2	784.52	435.8	1024.14	326.84	2348.54	349.8	106.1	1175.01	8842.82	717.92	23.85	2785.69	2313.14	13009.99	15208.67	855.55
1999	534.19	63.07	291.98	521.31	656.53	799.53	445.69	1050.72	387.85	2422.34	350.37	105.29	1202.72	8830.58	743.9	27.82	2859.32	2348.18	13266.39	15405.81	861.13
2000	533.53	65.02	298.01	532.4	665.48	814.57	458.87	1080.77	400.08	2506.93	351.08	104.37	1236.21	9046.32	772.79	31.92	2932.7	2384.41	13558.72	15644.71	866.67
2001	530.39	66.72	304.44	541.1	671.24	827.23	485.87	1109.26	410.67	2581.74	351.74	103.59	1260.78	9221.87	788.97	36.26	2891.18	2420.38	13798.21	15823.23	872.02
2002	529.6	68.16	311.29	551.75	677.4	838.21	475.24	1129.14	423.45	2649.47	355.64	104.68	1287.19	9401.23	826.1	39.36	3049.9	2457.18	14042.83	16004.44	877.41
2003	529.08	69.63	318.4	562.67	684.14	849.87	484.77	1153.07	436.81	2720.02	359.46	105.81	1314.77	9588.31	854.49	42.43	3110.97	2495.85	14298.2	16195.05	882.88
2004	528.3	71.17	325.38	573.91	690.84	861.17	494.45	1177.25	450.56	2782.06	363.46	106.93	1342.77	9778.23	883.78	45.43	3172.79	2537.47	14559.27	16389.15	888.35
2005	527.71	72.84	332.5	585.35	697.79	873.14	504.45	1202.18	464.73	2866.43	367.45	108.07	1371.58	9874.22	914.3	48.83	3238.39	2582.8	14830.07	16590.95	893.87
2006	527.04	74.42	339.87	596.89	704.48	885.15	514.47	1227.62	478.36	2942.87	371.6	109.21	1400.81	10173.9	945.84	52.03	3300.94	2630.69	15107.66	16797.34	899.41
2007	526.55	76.13	347.24	608.77	710.9	897.34	524.35	1253.87	494.5	3022.04	375.65	110.37	1431.03	10378.64	978.63	55.16	3367.18	2684.41	15396.65	17011.35	905.08
2008	525.65	77.74	354.58	620.42	716.88	909.53	534.21	1280.19	509.88	3101.71	379.88	111.53	1460.48	10592.68	1012.01	58.22	3432.51	2745.04	15690	17225.5	910.86
2009	524.8	79.46	361.74	632.07	722.45	921.37	543.82	1306.24	525.49	3181.74	384.09	112.7	1489.05	10764.8	1045.87	61.32	3496.78	2808.79	15983.09	17431.85	916.79
2010	524.01	81.36	369.5	644.6	728.83	934.43	554.37	1334.28	542.18	3267.47	388.36	113.86	1520.57	11003.81	1082.23	64.19	3566.42	2875.01	16298.83	17661.18	922.86
2011	523.86	82.83	375.54	654.49	732.14	943.66	562.67	1357.26	556.88	3358.27	392.65	115.06	1547.31	11202.71	1122.48	66.75	3628.88	2952.8	16594.95	17858.08	929.27
2012	523.18	84.3	381.16	663.86	734.75	951.86	570.5	1379.21	571.67	3447.67	397.13	116.27	1571.67	11383.18	1163.04	68.18	3887.37	3046.38	16894.73	18053.86	935.8
2013	522.2	85.74	386.82	672.87	737.11	959.82	578.1	1401.01	586.43	3538.34	401.57	117.51	1585.68	11583.37	1204.85	71.25	3745.53	3147.99	17200.98	18250.99	942.47
2014	521.05	87.23	392.58	681.87	739.29	967.86	585.7	1422.87	601.47	3630.37	405.84	118.74	1619.32	11774.28	1247.53	73.59	3803.54	3252.19	17508.89	18444.86	949.26
2015	519.62	88.68	398.22	690.75	741.02	975.28	593.12	1444.13	616.57	3722.81	410.58	119.98	1641.97	11962.74	1281.34	75.93	3860.23	3360.99	17818.7	18633.89	956.15

TABLE 1.49
HISTORIC AND FORECAST EARNINGS BY INDUSTRY FOR MONTANA

REAL 1987 DOLLARS

YEAR	FARM	AFF	MIN	CONST	MFG	TCPU	WHS	RTS	FIRE	SRVC	FED C	FED M	S&LG	AVG
1967	14270	8143	24036	22332	21288	23485	22704	12870	15871	12150	21167	11271	14048	15974
1968	15005	8050	24002	23261	21980	24280	22878	12841	16345	12154	22584	11607	14088	16335
1969	18274	12878	24682	25290	22465	25828	24234	14028	18030	13814	23587	11089	14811	17851
1970	22175	12441	25467	26216	22419	26229	24064	13886	15246	13966	25635	11885	15349	18437
1971	18234	13117	26046	26225	22828	27284	24157	14130	16406	13801	26648	12143	15685	18113
1972	28110	14300	27043	27087	23651	28524	24457	14532	18173	13834	27701	13276	16229	19824
1973	39442	15563	28180	28327	24002	29021	24817	14741	14858	13885	28566	13817	16844	21210
1974	27 830	15381	30273	28033	24202	28412	25888	14280	13882	13718	27589	12891	16262	19813
1975	24062	14803	34027	28557	24893	28157	25358	14202	14236	14154	28882	12485	16885	19415
1976	13852	15811	32408	28168	25584	30203	25467	14221	15446	14832	27800	12847	17306	18797
1977	4858	17258	32511	29067	28308	30785	25169	14016	15498	14856	27745	12472	17359	18232
1978	17681	15368	32800	28855	28802	30855	25145	13608	15748	14908	26968	12150	17282	19282
1979	11204	14908	33878	28121	27086	30584	25124	13387	15086	15052	28646	11648	17388	18660
1980	11938	10850	34880	27878	28961	30225	25108	12487	13377	14846	25858	11282	16924	18240
1981	13341	11230	34158	25815	28605	30005	24128	11813	12282	14838	28188	12906	17139	18084
1982	6845	8647	33237	25000	25588	30823	23748	11832	11872	14585	28081	13337	17921	17196
1983	3887	13371	32445	23448	25202	30884	22884	11788	12136	14464	28443	12587	18273	16746
1984	2370	11087	30864	21456	25088	30475	22883	11338	11422	14484	27086	12423	18271	16333
1985	246	8281	31836	21174	24466	29038	22542	10857	11038	14387	27361	12514	18386	15846
1986	11911	7784	31385	20574	24165	28549	22231	10534	11195	14548	28357	12462	17984	16483
1987	13527	8885	28771	18828	23730	28881	22040	10202	12888	14481	28233	12387	17830	16466
1988	7058	8113	32317	18803	23017	28724	21857	10285	12164	14880	27035	12262	17279	15852
1989	17035	8118	32843	18788	22875	27625	21811	10154	10947	14792	28184	12550	16890	16333
1990	12856	8075	32211	17721	22427	27130	21488	10005	10940	14878	28095	12736	16447	15859
1991	17118	8903	33941	17132	22251	28820	21186	9845	10801	14854	27126	13146	16882	16082
1992	17647	8888	34488	17637	22747	27446	21645	10050	10864	15182	27032	13585	16541	16332
1993	17444	8058	34836	17776	22876	27648	21818	10124	10877	15282	28884	14148	16898	16400
1994	17670	8225	35532	18071	23387	28088	22188	10287	11165	15537	28587	14567	16869	16622
1995	17874	8418	36364	18458	23827	28686	22671	10500	11452	15858	28432	15034	17687	16896
1996	18038	8488	36856	18582	24122	28848	22833	10585	11555	15857	28375	15461	17205	17003
1997	18125	8582	37044	18748	24357	29078	23024	10848	11881	18083	28298	15817	17388	17120
1998	18208	8862	37385	18902	24582	28308	23230	10731	11902	16211	28242	16348	17537	17236
1999	18307	8748	37772	19082	24822	28553	23445	10823	11838	16351	28186	16788	17710	17387
2000	18455	8861	38237	18304	25131	29882	23721	10845	12102	16535	28103	17223	17885	17534
2001	18539	8858	38537	18464	25358	30114	23820	11027	12228	16683	28036	17708	18060	17652
2002	18628	10053	38863	19635	25572	30358	24124	11114	12353	16794	28082	17886	18242	17779
2003	18742	10150	39280	18826	25826	30630	24348	11213	12485	16848	28162	18087	18427	17824
2004	18861	10255	38832	20018	26069	30811	24587	11315	12638	17105	28224	18278	18613	18072
2005	18976	10347	39864	20206	26322	31195	24825	11416	12781	17280	28265	18474	18802	18218
2006	19103	10452	40365	20408	26584	31488	25072	11523	12831	17425	26317	18688	18990	18373
2007	18224	10558	40708	20808	26837	31775	25308	11626	13078	17585	26380	18887	19183	18523
2008	18354	10684	41087	20812	27103	32082	25580	11735	13234	17754	28417	19085	19375	18880
2009	18495	10782	41484	21034	27388	32387	25822	11851	13385	17834	28471	18265	19567	18846
2010	19665	10835	41888	21308	27744	32788	28182	11887	13582	18181	26508	18463	18763	19053
2011	18821	11058	42434	21543	28041	33148	28441	12124	13768	18358	26548	18868	18860	19232
2012	19960	11180	42875	21794	28368	33518	28746	12257	13847	18586	28588	19875	20155	18418
2013	20123	11328	43377	22081	28715	33807	27077	12401	14144	18790	28828	20087	20353	19621
2014	20280	11478	43864	22342	29072	34321	27408	12548	14346	19020	28671	20287	20550	19828
2015	20486	11623	44345	22825	29441	34745	27768	12701	14652	18280	28886	20511	20750	20043

TABLE 1.50
TOTAL POPULATION BY AGE COHORTS FOR MONTANA

1,000's OF PERSONS

	POP	0-4	05-09	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+	HH	P/HH
1967	700 87	66 88	78 07	77 38	67 02	47 77	38 64	36 88	38 8	42 22	39 32	38 08	34 28	26 61	22 07	18 43	27 81	212 23	3 3
1968	688 83	62 88	78 44	78 48	68 18	48 7	40 6	37 18	37 84	41 07	39 38	38 53	34 58	27 51	22 08	17 88	28 63	215 33	3 25
1969	684 33	58	74 21	78 65	68 82	50 11	41 46	37 43	38 64	38 62	38 88	38 75	34 51	28 02	21 92	17 18	29 06	215 79	3 22
1970	697 51	57 38	72 01	78 74	70 68	52 44	42 87	38 01	38 25	38 73	38 73	38 2	34 87	28 65	22 14	16 88	29 74	217 3	3 21
1971	710 88	58 88	69 88	79 27	72 68	57 42	45 11	38 58	38 57	38 64	38 68	38 3	35 37	29 48	22 8	17 06	28 87	224 94	3 16
1972	718 11	58 32	67 18	78 38	74 08	58 11	50 04	41 41	38 8	38 23	38 51	38 42	35 6	30 1	23 63	17 25	30	231 49	3 11
1973	728 81	58 44	64 62	77 31	75 27	61 68	52 78	44 35	37 58	37 86	38 31	39 28	35 81	30 7	24 38	17 44	30 12	237 64	3 06
1974	737 68	58 48	62 74	78 48	78 57	64 68	58 25	46 66	38 83	37 67	38 14	38 11	36 15	31 38	25 05	18 09	30 59	244 63	3 02
1975	748 54	58 62	61 81	75 27	77 73	68	58 65	48 65	38 72	37 56	38 21	38 78	36 68	32 22	25 63	18 7	30 86	251 36	2 98
1976	758 52	58 71	62 74	72 64	78 31	68 75	64 28	50 24	40 8	37 81	37 89	38 75	36 69	32 77	26 88	19 32	30 85	258 08	2 94
1977	771 48	58 68	63 1	70 2	78 27	71 73	65 47	55 28	42 76	38 52	37 92	38 84	36 87	33 54	27 82	20 1	31 32	265 31	2 91
1978	784 08	61 78	62 88	67 7	77 88	73 47	68 12	57 74	45 76	38 53	37 78	38 66	37 2	34 33	28 38	20 72	31 98	273 44	2 87
1979	788 18	63 64	61 78	64 78	78 58	74 14	70 35	60 21	47 48	40 3	37 15	38 04	37 04	34 72	29 08	21 34	32 51	278 75	2 81
1980	788 84	64 42	68 51	62 48	74 56	74 58	72 68	62 02	48 38	40 66	38 18	37 29	36 54	34 8	29 59	21 83	33 2	283 74	2 78
1981	795 31	65 53	58 42	63 68	72 13	73 52	71 68	64 6	49 88	41 65	38 12	37 45	36 74	35 67	30 05	23 03	34 76	288 55	2 76
1982	804 01	66 28	58 61	64 43	70 1	72 32	71 88	64 28	54 67	43 34	36 47	37 31	38 88	38 55	30 58	24	36 34	293 79	2 74
1983	814 12	67 02	58 66	64 66	68 18	70 62	71 67	65 38	57 21	46 19	37 5	36 88	37 44	37 93	31 2	25 04	38 01	298 3	2 71
1984	821 02	68 65	61 13	64 1	66 48	68 81	71 2	68 58	60 29	48 16	38 52	36 88	37 47	37 62	31 58	25 92	39 53	303 41	2 71
1985	822 55	68 15	62 34	62 64	65 38	65 87	68 67	67 6	62 87	48 66	38 04	36 48	37 18	37 81	31 93	26 59	40 87	306 52	2 68
1986	813 87	64 43	63 22	60 6	64 38	61 53	67 4	67 52	65 67	49 88	39 48	35 85	36 51	36 88	32 08	26 78	41 59	305 88	2 66
1987	805 22	62 61	63 74	58 65	62 57	57 08	64 3	67 5	64 64	53 59	40 32	35 62	35 93	35 93	32 24	27 08	42 46	304 03	2 65
1988	800 37	61 26	64 51	60 37	60 68	53 01	61 31	67 48	65 36	54 82	42 24	36 1	34 84	35 51	32 1	27 55	43 39	304 41	2 63
1989	788 64	60 67	64 83	61 69	58 6	48 78	58 55	67 4	68 67	58 99	43 71	36 84	34 02	34 8	32 34	28	44 54	306 49	2 61
1990	798 86	59 36	65 5	63 01	54 81	45 86	55 58	68 04	68 3	59 37	45 81	37 95	33 77	33 8	32 25	28 58	45 79	306 97	2 6
1991	808 43	60 13	68 33	63 7	55 51	48 41	58 23	68 67	70 17	59 96	46 37	38 38	34 18	34 24	32 60	28 92	46 37	310 97	2 6
1992	823 88	62 35	65 73	65 67	57 14	51 58	55 33	67 8	70 21	62 8	47 96	38 11	34 51	34 39	32 73	28 88	47 7	318 34	2 58
1993	827 32	62 56	64 66	66 32	57 47	53 54	53 68	66 21	70 5	63 86	50 54	40 23	34 68	33 52	32 2	28 55	48 7	321 06	2 58
1994	832 17	62 41	63 82	67 18	58 28	54 77	52 11	64 45	70 6	65 04	53 14	41 77	35 15	32 88	31 7	28 17	49 82	323 28	2 57
1995	838 28	60 51	63	67 64	64 52	55 22	50 41	58 68	68 78	66 19	57 8	44 38	36 51	31 32	30 35	28 88	51 75	326 09	2 57
1996	844 18	60 86	63 44	68 41	64 85	55 87	50 82	60 04	70 38	66 75	58 18	44 68	38 69	31 51	30 59	27 17	52 15	328 46	2 57
1997	848 88	60 68	63 87	67 82	66 45	55 51	52 82	58 27	68 45	68 3	60 44	46 88	37 5	31 48	30 03	26 97	52 72	331 85	2 56
1998	855 54	60 22	64 35	68 96	67 67	58 36	54 67	56 52	68 08	69 64	61 67	48 4	38 69	31 71	28 34	26 62	53 27	335 4	2 55
1999	861 14	60	64 31	68 41	68 68	58 23	58 18	54 84	66 43	70 08	62 82	52 05	40 25	32 17	28 83	26 24	53 89	339 17	2 54
2000	866 67	58 37	62 41	65 56	69 48	63 44	58 8	53 17	61 63	68 34	65 93	56 77	42 82	33 43	27 41	25 14	53 89	344 2	2 52
2001	872 02	59 69	62 84	65 65	70 03	63 84	57 32	53 33	61 91	68 87	68 4	58 89	43 07	33 56	27 55	25 32	54 28	347 17	2 51
2002	877 42	60 18	62 55	68 31	68 24	65 22	57 11	55 64	60 06	68 11	68 88	58 17	44 95	34 27	27 5	24 81	54 42	350 85	2 5
2003	882 88	60 75	62 07	68 73	68 59	68 32	57 64	57 58	58 25	67 77	67 33	60 35	47 52	35 33	27 68	24 23	54 44	354 62	2 49
2004	888 37	61 39	61 86	66 62	68 02	67 24	58 61	58 61	58 61	68 18	67 51	61 45	50 03	38 72	28 05	23 63	54 44	358 47	2 48
2005	893 85	62 7	61 16	64 57	67 11	67 86	64 87	58 58	54 75	61 38	69 67	64 42	54 51	39 02	28 1	22 59	53 44	363 11	2 46
2006	888 44	63 08	61 55	65 01	67 5	68 48	65 4	58 68	54 88	61 7	67 32	64 88	54 72	39 23	29 2	22 7	53 81	366 47	2 45
2007	905 1	63 88	62 05	64 68	67 82	67 86	68 74	58 73	57 18	58 88	68 52	65 31	58 77	40 64	29 81	22 67	53 44	369 59	2 45
2008	910 87	64 82	62 65	64 18	68 17	68 88	67 8	60 57	58 12	58 1	65 25	65 7	57 65	43 28	30 71	22 79	52 89	372 81	2 44
2009	916 78	65 87	63 31	63 64	68 01	68 41	68 69	62 48	60 38	58 47	63 75	65 82	58 88	45 57	31 91	23 11	52 26	376 28	2 44
2010	922 88	67 8	64 6	63 18	65 65	65 37	68 15	67 71	60 82	54 8	58 11	64 89	61 62	48 58	33 85	23 86	50 71	379 67	2 43
2011	928 27	66 28	65 03	63 58	66 33	65 77	68 06	68 21	61 37	54 74	58 47	65 58	62 08	48 8	34 06	24 05	51 09	383 84	2 42
2012	935 8	68 63	65 83	64 18	68 08	68 08	68 06	68 63	61 14	67 06	57 78	64 83	62 47	51 68	35 59	24 8	50 84	387 21	2 42
2013	942 48	69 45	68 85	64 64	65 65	68 41	68 45	70 75	61 88	58 01	56 1	63 83	62 84	52 7	37 89	25 39	50 62	390 44	2 41
2014	948 28	70 09	68 05	65 58	65 47	66 25	67 66	71 7	63 81	60 28	54 58	62 21	62 84	53 66	39 73	26 41	50 52	393 81	2 41
2015	956 18	70 84	70 08	66 64	64 78	64 18	66 75	72 18	68 22	60 83	52 81	57 72	62 02	56 2	43 25	28 06	50 32	395 82	2 42

TABLE 1.51
MALE POPULATION BY AGE COHORTS FOR MONTANA

1000's OF PERSONS

	POP	0-4	05-09	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+
1967	351.88	34.07	38.8	38.14	33.68	23.42	18.37	18.45	19.46	21.17	19.86	18.37	17.42	13.68	10.92	8.88	12.81
1968	350.58	32.04	39.03	38.65	34.39	23.87	20.26	18.49	18.67	20.58	19.83	19.53	17.47	14.09	10.89	8.45	13.04
1969	347.08	30.07	37.82	39.68	34.71	24.65	20.74	18.52	18.15	18.85	19.72	19.53	17.37	14.34	10.8	8.01	13.03
1970	348.57	29.29	36.84	39.79	35.77	26	21.53	18.83	17.98	18.41	19.58	18.65	17.51	14.66	10.87	7.75	13.15
1971	355.87	30.12	35.74	40.1	36.81	28.81	22.76	18.77	18.17	19.38	19.58	19.68	17.72	14.96	11.33	7.89	12.88
1972	360.12	30.33	34.35	38.87	37.57	30.02	25.38	20.88	18.38	19.2	19.36	19.74	17.78	15.13	11.78	8.02	12.8
1973	364.18	30.41	33.03	38.19	38.24	31.46	26.82	22.49	18.79	19.01	18.26	19.65	17.85	15.3	12.2	8.15	12.33
1974	369.25	30.45	32.04	36.83	38.82	32.88	26.82	23.76	19.32	18.91	19.14	19.56	17.98	15.52	12.42	8.44	12.35
1975	374.94	30.55	31.62	36.24	38.53	34.65	30.49	24.98	19.9	18.64	19.18	18.38	18.2	15.81	12.59	8.73	12.28
1976	379.3	30.08	32.08	36.88	39.86	35.48	32.66	25.74	20.58	18.86	18.09	19.3	18.2	16.06	13.02	9.07	12.16
1977	385.64	30.7	32.26	35.7	40.06	36.34	33.16	28.38	21.57	18.32	18.08	19.2	18.32	16.43	13.39	9.5	12.23
1978	391.81	31.72	32.22	34.45	40.07	37.11	34.42	29.85	23.14	18.83	18.66	19.2	18.41	16.8	13.62	9.72	12.48
1979	394.17	32.66	31.63	32.99	38.54	37.37	35.49	30.95	24.08	20.22	18.64	18.88	18.31	16.98	13.88	9.94	12.61
1980	394.71	33.12	30.61	31.82	38.73	37.63	36.75	31.91	24.45	20.51	18.15	18.54	16.06	17.12	14.28	10.16	12.86
1981	398.61	33.64	29.95	32.63	37.3	37.02	36.1	33.12	25.25	20.87	18.18	18.61	16.09	17.46	14.31	10.63	13.38
1982	400.57	34	30.04	32.88	36.26	36.43	36.17	32.89	27.63	21.87	18.36	18.56	16.12	17.92	14.55	11.03	13.87
1983	405.24	34.18	30.58	33.11	35.27	35.68	36.13	33.09	28.88	23.17	18.82	18.39	16.38	18.13	14.88	11.48	14.58
1984	408.29	34.3	31.33	32.66	34.4	34.76	35.74	33.54	30.35	24.42	19.47	18.25	16.41	18.4	15.07	11.85	15.15
1985	408.67	33.94	31.84	32.31	33.82	33.28	34.9	33.88	31.66	25.23	19.75	18.15	18.31	18.46	15.26	12.12	15.86
1986	404.03	33.05	32.38	31.14	33.31	31.08	33.7	33.7	32.99	25.43	19.89	17.86	17.86	17.95	15.35	12.18	15.93
1987	399.48	32.13	32.84	30.84	32.4	28.83	32.07	33.53	32.45	27.35	20.45	17.76	17.56	17.47	15.46	12.28	18.28
1988	398.78	31.45	33.03	31.08	31.43	28.82	30.48	33.35	32.78	28.03	21.45	18.01	17.05	17.29	15.36	12.51	16.66
1989	398.18	31.13	33.24	31.78	30.36	25.21	28.03	33.13	33.42	29.2	22.21	18.38	16.74	17.02	15.47	12.7	17.18
1990	396.77	30.49	33.54	32.46	28.28	23.12	27.64	33.75	35.04	30.59	23.24	18.91	16.58	16.59	15.59	13.16	17.81
1991	401.54	30.89	33.98	32.82	28.64	23.35	27.95	34.17	35.5	30.9	23.52	19.13	16.77	16.8	15.8	13.3	18.04
1992	408.06	31.99	33.68	33.8	29.58	26.32	27.51	33.27	35.02	32.12	24.42	18.58	16.86	16.78	15.59	13.1	18.36
1993	409.61	32.1	33.13	34.1	29.68	27.47	26.87	32.58	35.01	32.5	25.77	20.18	17.06	16.32	15.31	12.87	18.73
1994	412.17	32.02	32.75	34.52	30.58	28.2	26.24	31.8	34.9	32.88	27.13	21.01	17.31	15.87	15.08	12.81	19.13
1995	415.02	31.03	32.28	34.79	33.2	28.53	25.64	28.81	34.15	34.15	29.81	22.43	18.02	15.11	14.39	12.28	19.79
1996	417.63	31.28	32.52	35.09	33.43	28.76	25.76	29.75	34.45	34.45	28.75	22.57	18.12	15.2	14.51	12.38	19.94
1997	420.72	31.12	32.74	34.67	34.16	28.63	27.04	28	34.05	34.55	30.76	23.62	18.57	15.2	14.23	12.25	20.12
1998	423.51	30.88	32.98	34.33	34.78	29.03	28.13	28.26	33.44	34.65	31.23	25.02	18.22	15.33	13.87	12.08	20.29
1999	426.25	30.76	32.87	34.04	35.28	28.95	28.88	27.61	32.71	34.6	31.65	26.38	20.04	15.57	13.5	11.89	20.4
2000	428.95	30.43	32	33.59	35.61	32.57	28.37	26.88	30.51	33.81	32.82	26.64	21.41	16.23	12.85	11.37	20.35
2001	431.6	30.8	32.21	33.8	35.9	32.79	28.56	27.08	30.6	34.22	33.17	28.86	21.54	16.3	12.91	11.45	20.5
2002	434.24	30.85	32.07	33.98	35.48	33.47	28.43	28.37	29.81	33.84	33.24	28.81	22.51	16.7	12.9	11.21	20.47
2003	436.94	31.14	31.62	34.2	35.14	34.01	29.8	28.46	28.03	33.24	33.31	30.38	23.63	17.26	13	10.92	20.41
2004	439.65	31.47	31.71	34.15	34.84	34.45	30.71	30.21	28.34	32.54	33.23	30.76	25.12	17.98	13.2	10.82	20.3
2005	442.36	32.14	31.36	33.09	34.36	34.68	33.31	30.68	27.66	30.34	32.5	31.86	27.42	19.2	13.74	10.09	19.62
2006	445.14	32.33	31.55	33.32	34.58	34.86	33.54	30.88	27.76	30.44	32.82	32.21	27.53	19.3	13.8	10.14	19.96
2007	447.93	32.75	31.81	33.16	34.74	34.57	34.2	30.71	28.03	28.65	32.48	32.26	28.41	20.17	14.13	10.14	19.73
2008	450.6	33.22	32.11	32.9	34.83	34.23	34.72	31.08	30.12	28.88	31.81	32.31	28.81	21.35	14.59	10.21	19.43
2009	453.74	33.76	32.45	32.78	34.85	33.82	35.14	32	30.85	28.19	31.25	32.22	28.17	22.51	15.2	10.37	19.09
2010	456.82	34.75	33.11	32.38	33.75	33.38	35.3	34.63	31.26	27.51	28.13	31.46	30.27	24.54	16.2	10.79	18.38
2011	459.98	35	33.34	32.61	33.88	33.61	35.65	34.89	31.49	27.8	28.28	31.78	30.5	24.65	16.29	10.84	18.5
2012	463.21	35.28	33.8	32.91	33.88	33.77	35.25	35.8	31.32	28.88	28.52	31.47	30.56	25.45	17.05	11.12	18.38
2013	466.52	35.58	34.31	33.25	33.65	33.94	34.81	36.14	31.7	28.86	27.81	30.85	30.58	25.81	18.08	11.51	18.3
2014	469.82	35.93	34.88	33.63	33.56	33.87	34.61	36.6	32.63	30.71	27.18	30.33	30.48	26.16	18.1	12.01	18.25
2015	473.35	36.31	35.82	34.32	33.22	32.82	34.03	36.78	35.28	31.11	26.61	28.3	28.75	27.15	20.83	12.82	18.22

TABLE 1.52
FEMALE POPULATION BY AGE COHORTS FOR MONTANA

1000's OF PERSONS

	POP	0-4	05-09	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+
1967	349.18	32.81	38.27	38.24	33.34	24.38	19.47	18.54	19.44	21.05	19.38	18.89	18.87	12.93	11.15	9.56	15
1968	349.34	30.85	37.4	38.83	33.8	24.83	20.34	18.7	18.98	20.49	19.44	19.01	17.08	13.41	11.17	9.43	15.59
1969	347.28	29.93	38.3	38.85	34.2	25.47	20.72	18.91	18.48	19.78	19.24	19.23	17.14	13.68	11.13	9.17	16.03
1970	348.94	29.1	35.17	38.95	35.11	28.44	21.34	19.18	18.29	19.32	19.18	19.55	17.36	13.99	11.26	9.11	16.59
1971	355.32	28.84	34.14	38.17	35.98	28.81	22.35	19.91	18.41	19.28	19.31	19.81	17.65	14.53	11.58	9.17	17
1972	358.88	29.99	32.84	38.88	36.49	29.09	24.60	20.55	18.52	19.63	19.15	19.68	17.82	14.96	11.87	9.23	17.4
1973	362.79	29.03	31.6	38.12	37.02	30.22	25.94	21.85	18.81	18.85	19.05	19.63	17.98	15.4	12.18	9.29	17.8
1974	368.43	29.02	30.89	37.68	37.65	31.69	27.64	22.8	19.31	18.76	19	19.55	18.17	15.87	12.81	9.65	18.24
1975	374.6	29.07	30.29	37.03	38.2	33.35	29.38	23.87	19.82	18.72	19.03	19.39	18.48	16.41	13.01	9.97	18.6
1976	379.22	29.82	30.87	35.68	38.35	34.28	31.62	24.5	20.34	18.84	18.9	19.45	18.49	16.71	13.87	10.25	18.69
1977	385.85	29.18	30.82	34.5	38.21	35.38	32.3	26.92	21.18	19.2	18.88	19.44	18.65	17.11	14.43	10.59	19.09
1978	392.27	30.08	30.78	33.24	37.88	38.38	33.7	28.08	22.82	19.71	18.8	19.48	18.79	17.53	14.75	11.01	19.51
1979	394.99	30.87	30.13	31.8	37.05	38.77	34.88	29.26	23.4	20.08	18.51	19.16	18.73	17.74	15.21	11.4	19.92
1980	394.23	31.31	28.9	30.88	35.83	38.88	35.03	30.12	23.83	20.15	19.04	18.75	18.47	17.78	15.31	11.77	20.34
1981	398.7	31.89	28.47	31.28	34.83	38.5	35.57	31.89	24.63	20.88	17.98	18.84	18.66	18.21	15.73	12.41	21.37
1982	403.45	32.28	28.57	31.47	33.85	35.8	35.72	31.59	27.04	21.47	18.1	18.75	18.77	18.63	16.01	12.96	22.37
1983	408.89	32.83	28.09	31.55	32.89	35.13	35.74	32.29	28.38	22.82	19.58	18.57	19.04	18.9	16.32	13.56	23.43
1984	412.74	32.55	29.8	31.24	32.09	34.15	35.47	33.05	29.94	23.74	19.05	18.41	19.05	19.22	16.52	14.07	24.38
1985	413.88	32.21	30.41	30.63	31.54	32.88	34.78	33.72	31.31	24.43	19.29	18.31	18.88	19.36	16.67	14.47	25.21
1986	409.84	31.37	30.84	29.47	31.04	30.45	33.7	33.82	32.69	24.58	19.47	17.69	18.51	18.92	16.73	14.6	25.87
1987	405.74	30.49	31.1	29.11	30.17	28.22	32.23	31.97	32.19	26.24	19.87	17.86	18.07	18.46	16.79	14.78	26.18
1988	403.58	29.84	31.48	29.29	28.25	26.2	30.93	34.13	32.58	26.79	20.79	18.1	17.59	18.23	16.74	15.04	26.72
1989	403.48	28.54	31.69	28.81	28.24	24.57	29.52	34.29	33.26	27.79	21.5	18.48	17.28	17.89	16.88	15.1	27.18
1990	402.09	28.87	31.89	30.55	28.52	22.85	27.93	34.29	34.28	28.78	22.57	19.04	17.19	17.22	16.65	15.42	27.98
1991	409.89	29.24	32.38	30.98	28.87	23.07	28.28	14.7	34.87	29.06	22.85	19.24	17.42	17.44	16.86	15.62	28.33
1992	415.94	30.36	32.05	31.87	27.58	25.28	27.92	34.53	35.19	30.79	23.54	19.54	17.55	17.6	17.14	15.77	29.33
1993	417.51	30.47	31.53	32.22	27.78	28.07	28.81	33.62	35.48	31.48	24.77	20.04	17.67	17.7	16.89	15.58	29.98
1994	420	30.39	31.17	32.88	29.71	28.57	25.98	32.64	35.7	32.18	28.01	20.78	17.84	16.81	16.64	15.38	30.88
1995	423.28	29.48	30.72	33.05	31.32	28.69	24.77	30.09	35.81	34.04	28.28	21.95	18.48	16.2	15.96	14.88	31.96
1996	426.23	29.7	30.92	33.33	31.52	28.91	24.88	30.29	35.91	34.3	28.41	22.12	18.57	16.11	16.09	14.76	32.21
1997	429.18	29.58	31.13	32.95	32.27	28.87	25.98	29.27	35.4	34.75	29.88	23.07	18.92	16.28	15.8	14.72	32.6
1998	432.02	29.34	31.38	32.83	32.99	27.33	28.74	28.28	34.82	35.18	30.44	24.38	19.47	16.18	15.47	14.55	32.98
1999	434.89	29.24	31.34	32.37	33.4	28.29	27.3	27.33	33.72	35.48	31.17	25.68	20.21	16.6	15.13	14.35	33.29
2000	437.72	28.93	30.42	31.98	33.85	30.87	27.53	26.18	31.12	35.43	33.01	27.03	21.41	17.2	14.57	13.77	33.54
2001	440.42	29.09	30.82	32.15	34.13	31.09	27.74	26.24	31.31	35.75	33.23	28.03	21.53	17.26	14.64	11.87	33.78
2002	443.18	28.33	30.48	32.33	33.78	31.75	27.68	27.27	30.26	35.27	33.93	28.28	22.44	17.57	14.8	11.6	33.95
2003	445.95	29.61	30.25	32.53	33.45	32.32	28.14	29.13	29.22	34.53	34.02	29.98	23.89	18.07	14.66	13.12	34.03
2004	448.72	29.92	30.15	32.47	33.18	32.78	29.09	29.69	28.27	33.88	34.27	30.89	24.91	18.73	14.85	13.01	34.04
2005	451.49	30.56	29.82	31.47	32.75	33.18	31.86	29.99	27.09	31.08	34.17	32.47	27.1	19.82	15.16	12.5	33.62
2006	454.3	30.75	30	31.88	32.82	33.47	31.88	29.1	27.13	31.28	34.49	32.87	27.18	19.94	15.41	12.56	33.87
2007	457.17	31.15	30.24	31.53	33.08	33.09	32.53	29.03	28.15	30.24	34.04	33.04	28.38	20.77	15.68	12.51	33.71
2008	460.08	31.8	30.53	31.28	33.24	32.78	33.08	29.49	28	28.22	33.33	33.39	29.04	21.93	16.12	12.58	33.47
2009	463.05	32.11	30.88	31.18	33.18	32.49	33.54	30.48	28.54	28.28	32.5	33.8	29.7	21.06	16.71	12.74	33.16
2010	466.08	33.05	31.48	30.78	32.1	31.89	33.85	33.09	28.88	27.09	28.88	33.44	31.36	25.04	17.65	11.17	32.35
2011	469.28	33.29	31.68	30.99	32.33	32.17	34.2	33.31	28.89	27.14	30.21	33.78	31.58	25.15	17.76	11.22	32.59
2012	472.8	33.58	32.14	31.28	32.21	32.31	33.84	34.03	28.82	28.18	28.25	33.38	31.81	28.24	18.54	11.48	32.46
2013	475.84	33.85	32.84	31.8	32	32.47	33.54	34.61	30.28	28.04	28.3	32.88	32.25	26.89	19.6	13.87	32.33
2014	479.38	34.17	33.18	31.88	31.8	32.38	33.27	35.1	31.78	28.58	27.42	31.88	32.44	27.51	20.63	14.4	32.27
2015	482.83	34.53	34.18	32.82	31.67	31.38	32.72	35.42	33.83	28.72	28.28	28.42	32.28	29.05	22.42	15.24	32.1

2. NATURE AND EXTENT OF HOMELESSNESS IN MONTANA

SUMMARY OF SHELTERED HOMELESS STUDY

Graduate students in the Department of Political Science at the University of Montana, Missoula, prepared a study for the Department of Social and Rehabilitative Services on a portion of Montana's homeless population, the sheltered homeless. The study, completed in May 1993, attempted to count sheltered homeless people in the State. Those living on the street, in institutionalized settings, or doubled-up with friends or relatives in existing housing were not included. The study attempted to provide demographic information on sheltered homelessness, and identify their needs and the services available to Montana's sheltered homeless.

It was conducted by taking a physical count on two separate nights, December 2, 1992, and January 26, 1993, at 40 specified shelters. The study targeted 17 emergency shelters, seven domestic violence shelters, eight runaway youth shelters, and eight voucher systems. Few of the shelters were in northeastern Montana, and none in the southeast. Most surveyed shelters were located in urbanized areas (six in Billings, five in Missoula, and five in Bozeman).

The study concludes that approximately 502 homeless persons seek shelter each day during December and January. It reported that the December count included 548 persons requesting shelter; 461 did so on the January date. On each night, 16 people requesting shelter were turned away, two from the emergency shelters, 14 from runaway youth shelters. Shelters turned away homeless people primarily due to lack of space, and secondly due to behavioral problems. A majority of homeless people (352) are served by emergency shelters, while 70 stayed in domestic violence shelters, 41 in runaway youth shelters, and 23 utilized the shelter voucher system.

A survey instrument completed by the shelter directors asked for information related to age, sex, race/ethnic origin, and family status of shelter clients. The mean age of sheltered homeless persons in Montana is 26 years. Individuals under the age of 19 made up 43 percent of the total sheltered homeless population, with a majority of that group under age 9. Sixty-one percent of sheltered homeless individuals are male, 39 percent female. Females make up a majority only in domestic violence shelters with 67 percent (47 of 70 people). Adults between the ages of 20 and 49 represented 48 percent of the sheltered homeless population, most in their 30s. Only 9 percent of the homeless were over age 50.

Native Americans are disproportionately represented in the studied homeless population. They constitute 24 percent of the sheltered homeless population, yet they make up only 6 percent of the total statewide population. Whites represented 72 percent of persons in shelter facilities.

Additional information about the homeless in Montana was collected by the University through two questionnaires: the first was distributed to directors and asked their opinion of the make-up and needs of their patrons; the second was offered only to emergency shelter clients with response voluntary. According to the shelter directors, the average length of stay at a

shelter ranged from 8 to 20 days; clients stayed longest at domestic violence shelters, ranging from 20 to 37 days. Those using vouchers typically remained only 1 to 5 days.

Shelter directors indicated that the major reasons for an individual's or family's homelessness varied. Sometimes several factors conspired to force the person or household into homelessness. Table 1.53, below, presents the shelter directors' opinions of the percent of their clients citing the following major reasons for their homelessness.

TABLE 1.53
DIRECTORS' ESTIMATES OF REASONS FOR HOMELESSNESS[23]
PERCENT OF CLIENTS HAVING FOLLOWING REASONS

REASON CLIENT SEEKING SHELTER	ALL RESPONDENTS	DIRECTOR'S OPINIONS BY TYPE OF SHELTER			
		EMERGENCY SHELTER	DOMESTIC VIOLENCE	RUNAWAY YOUTH	VOUCHER SYSTEM[24]
Domestic Violence	34%	23%	100%	33%	3%
Lack of Job Skills	27%	33%	0%	2%	54%
Substance Abuse	23%	32%	13%	5%	26%
Can't Find Affordable Housing	20%	34%	10%	0%	13%
Deinstitutionalization	7%	11%	0%	4%	6%
Runaway Youth	6%	2%	0%	29%	0%
Public Assistance Problems	6%	13%	0%	0%	1%
Other	14%	8%	0%	24%	26%

Domestic violence was most commonly cited by the shelter directors as the reason for homelessness, but job skills, substance abuse, and affordable housing followed closely. Respondents cited deinstitutionalization, public assistance, problems, other difficulties, and runaway youth less frequently as the reason for their homelessness. Note, however, that some shelters do not take in runaway youth. A similar question was asked of homeless adults at emergency shelters in the voluntary questionnaire. While the data is restricted to a single dimension, this segment of the homeless population provided interesting information. Table 1.54, below, presents emergency shelter client responses.

[23] Percentages may not add to 100 percent due to reasons for homelessness; multiple responses were allowed in the survey.

[24] Includes those facilities that offer food, clothing, and other basic necessities but do not operate a shelter of their own. Rather, they administer vouchers to homeless people so they can receive shelter at places such as local motels.

TABLE 1.54
REASONS HOMELESS PERSON LEFT LAST RESIDENCE
EMERGENCY SHELTER CLIENT RESPONSES

REASON	# at EMERGENCY SHELTER	% at EMERGENCY SHELTER
Unemployment	18	23.68%
Moved to Seek Work	15	19.74%
Other[25]	13	17.11%
Family Breakup	6	7.89%
Substance Abuse	5	6.58%
Eviction/Foreclosure	5	6.58%
Low Wages	4	5.26%
Family Rejection	4	5.26%
Inadequate Public Assistance	4	5.26%
Domestic Violence	2	2.63%
TOTAL RESPONSES[26]	76	100.00%

i. NEEDS OF SHELTERED AND UNSHELTERED HOMELESS

As stated in the SRS study, homeless adults are more likely to identify economic-related reasons, such as unemployment or moved to seek work, as the cause of their homelessness. Unemployment in the homeless questionnaire translates to 'job skills' in the shelter director survey. Substance abuse was rated as a less frequent cause by this type of respondent, while domestic violence was rated lowest by shelter clients. The difference between the two tables can be attributed to the limitation of the shelter client survey; it was available only to clients of emergency shelters. Therefore, Montana's homeless are primarily in need of long-term job training and counseling. Transitional housing, permanent housing, and employment were also cited as in great need by shelter directors. Their immediate needs relate to affordably priced permanent housing, medical health services, food, and clothing.

It is important to note that not all homeless persons were able to locate shelter during the SRS count of homelessness. During both counts, sixteen persons were turned away. All of these persons were youth, some with behavioral problems and others who may have gone to a shelter that was unable to take them. Therefore, runaway and homeless youth appear to require additional facilities and special counseling. Needs are identified in CHAS Table 1D, below.

SERVICES TYPICALLY AVAILABLE

According to shelter directors, emergency shelter, food, mental health, medical health services, clothing, and help for substance abuse are typically requested and often available. Education, job training, and disability services were listed as seldom to moderately available by respondents. But sufficient funding to adequately respond to client needs is not usually available at the facilities. In particular, more stable funding sources for services that can aid the home to prepare for transitional or permanent housing are required.

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[25] Several responses were mental illness.

[26] This may not equal the total number of persons responding to the question as they were asked to check all that may apply.

CHAS Table 1D

Homeless Population & Subpopulations

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)
Instructions for States

Name of State or Sub-State Area:

Montana

Five Year Period. (enter fiscal yrs) FY: 1994 through FY 1998

Part 1: Homeless Population	Sheltered (A)	UnSheltered (B)	Total (C)
Homeless Families with Children			
1 Number of Homeless Families	*	**	0
2 Number of Persons in Homeless Families	229	**	0
Homeless Individuals			
3 Youth (17 years or younger)	33	**	0
4 Adults (18 years and older)	224	**	0
5 Total (lines 2 + 3 + 4)	486	17	503

Part 2: Subpopulations Homeless Persons with Service Needs Related to:	Sheltered (%)	UnSheltered (%)
1. Severe Mental Illness (SMI) Only	12%	8%
2. Alcohol/Other Drug Abuse Only	21%	34%
3. SMI & Alcohol/Other Drug Abuse	8%	13%
4. Domestic Violence	14%	0%
5 Homeless Youth	8%	3%
6. AIDS/Related Diseases	5%	5%
7. Other (specifiy)		

Source: HUD CHAS Databook and Department of Social and Rehabilitative Services sheltered homeless study.
* Sources do not report number of homeless families.
** Sources do not report on unsheltered population.

form HUD 40091-A (1/93)

ii. NEEDS OF SUBPOPULATIONS AND PERSONS THREATENED WITH HOMELESSNESS

As households make less money, their likelihood of being homeless increases. Hence, the very low income households are particularly vulnerable to increases in the unemployment rates, economic fluctuation and slowdown, and public policy issues.

It is of particular concern by MDOC that since assisted housing payments under Section 8 will be constrained, as of October 1, 1993, additional very low income persons may be a risk for homelessness. MDOC and SRS intend to track the capabilities of persons who may fall away from Section 8 assisted housing and become homeless, as this service gap created by Federal policy has direct implications on other forms of assistance programs.

Montana views this group of people in need of financial and personal counseling, job training (or retraining) and short term emergency services and supplies, such as food, relief from energy and other utility costs.

3. POPULATIONS WITH SPECIAL NEEDS - OTHER THAN HOMELESS

i. NEED FOR SUPPORTIVE HOUSING

The housing component of the Montana State Mental Health Division (Residential Services) includes the state's two mental health institutions: Montana State Hospital and the Montana Center for the Aged. One of the major emphases in the Montana Public Mental Health System Plan regarding the State Hospital is recognition of the need for improving the process of transition for patients going from the hospital to the community. This goal is outlined in the Public Mental Health System Plan:

> The process of patient discharge planning at the hospital will be reviewed and updated. Formal discharge planning for each patient will begin at the time of admission to the hospital and will involve staff members from the hospital and the community mental health center that serves the patient's home community. This will help to identify the components of hospital treatment that will be important in helping patients prepare for a successful return to their home community. It will also help to identify the service and supports that patients will need upon discharge from the hospital.

In addition, several hospital staff members will be designated "aftercare coordinators" and will be responsible for developing and updating an aftercare plan for each patient assigned to them, in conjunction with staff members from each region's community mental health center.

The mental health plan identifies an ideal system of community services for adults with severe and disabling mental illness. Housing for the mentally ill, one of the strategy areas, calls for the continuation of the 100 beds in group homes, and the addition of three group homes for mentally ill elderly persons (eight beds). The plan proposes building nine, one-apartment transition beds, and payment of rental cost for apartment managers at these sites. Emergency funds for 200 persons will be made available to assist clients with rent deposits, furnishings, and emergencies. A department staff person will be assigned to provide technical assistance in

housing the mentally ill. These plans go along with the Mental Health Division's goal of encouraging the provision of supportive services in the "least restrictive, most natural and least disruptive setting possible."

Montana's Older Americans Act (1987) reaffirms the State's commitment to its older citizens. The act described older Montanans as a valuable resource that it is not receiving sufficient services in all areas of the State. The plans laid out in the act are to develop appropriate programs, coordinate and integrate all levels of service, create a directory of available services and transportation to them, programs to facilitate self-care, physical and mental health care, legal programs, adult education, and research in aging.

The organizer of elderly assistance is the Governor's Office on Aging, established in 1983. They are responsible for developing and administering the State's plan on aging, develop an intrastate funding formula, represent the interests of the elderly in State legislative and regulatory bodies, and evaluate Area Agency on Aging activities.

While there are other segments of the in-need populations, such as the AIDS/HI infected persons or those with alcohol or other drug dependence problems, and the State plans to distribute funds to these groups, funding levels are in line with the relative size and severity of the problems in Montana. CHAS Table E, on the following page, presents all available data as it pertains to the Non-Homeless Special Needs Populations.

While the State has about 140,000 persons over the age of 60, about 12,993 of these persons require assistance, in some form, for housing. Of those, 3,267 are estimated to be frail elderly.

CHAS Table 1E	U.S. Department of Housing and Urban Development Office of Community Planning and Development
Non-Homeless Special Needs Populations	Comprehensive Housing Affordability Strategy (CHAS) Instructions for States

Name of State or Sub-State Area:	Data Source: (specify)	Five Year Period: (enter fiscal yrs.)	
Montana		FY: 1994	through FY: 1998
	Current Data as of (date)		

	Households in Need of Supportive Housing
1 Elderly	12,993
2. Frail Elderly	3,267
3 Severe Mental Illness	NA
4 Developmentally Disabled	1,067
5 Physically Disabled	NA
6. Persons with Alcohol/Other Drug Addiction	497
7 Persons with AIDS and Related Diseases	15 (estimate)
8. Other (specify):	

Instructions for Table 1E

Non-Homeless Special Needs Populations

Refer to Appendix A, General Definitions Used with the CHAS, for additional definitions of terms used in this table.

Table 1E provides a format for estimating the need for supportive housing for other (than homeless) populations with special needs Some potential resource agencies and client groups they serve include:

o State or local mental health agencies for persons with severe mental illness;

o State or local agencies of mental retardation or State local developmental disabilities councils for people with developmental disabilities;

o State rehabilitation agencies or State or local Centers for Independent Living for people with physical disabilities,

o State or area agencies on aging for elderly people,

o The Public Health Service Center for Disease Control for persons with AIDS

Specific Instructions

Line 1-- Enter the estimated number of elderly households in need of supportive housing

Line 2-- Enter the estimated number of frail elderly households in need of supportive housing.

Line 3-- Enter the estimated number of households composed of at least one person with severe mental illness in need of supportive housing.

Line 4-- Enter the estimated number of households composed of at least one developmentally disabled person in need of supportive housing.

Line 5-- Enter the estimated number of households composed of at least one physically disabled person in need of supportive housing.

Line 6-- Enter the estimated number of households composed of at least one person with alcohol/other drug addiction in need of supportive housing.

Line 7-- Enter the estimated number of households composed of at least one person with AIDS and related diseases in need of supportive housing.

Line 8-- Estimate for any other category of special need that the jurisdiction may identify the number of households in need of supportive housing.

C. AVAILABLE RESOURCES

The State of Montana has a wide array of programs it intends to implement, deliver, or manage throughout the upcoming five-year period. These are briefly reviewed below. The arrangement within each category does not imply any priority the program may be given by the State. The program descriptions are then followed by a discussion of activities to be undertaken, by activity type.

C.1. FEDERAL PROGRAMS

HOME Investment Partnership Program

The HOME program, administered by the Housing Assistance Bureau of MDOC, was created under Title II (the Home Investment Partnerships Act) of the 1990 National Affordable Housing Act. The purpose of the program is to expand the supply of decent, affordable housing for low- and very low-income families, emphasizing rental housing; to build state and local capacity to design and carry out affordable housing programs; to provide financial and technical assistance to participating jurisdiction, including model program development; and to strengthen partnerships among all levels of government and the private sector in the development of affordable housing.

The program does not require specific activities. However, certain, cost-effective activities are encouraged through lower local matching contribution requirements. Eligible activities include

- Tenant-based rental assistance;
- Assistance to first-time home buyers;
- Property acquisition;
- New construction (justification required for neighborhood revitalization, special needs);
- Reconstruction, relocation, or demolition;
- Moderate or substantial rehabilitation;
- Site improvements;
- Conversions;
- Tenant based rental assistance; and,
- Other activities related to development of non-luxury housing (with approval of HUD).

All States, metropolitan cities, urban counties and contiguous units of local government are eligible to apply for HOME funds. All HOME funds must assist families below 80 percent of the area median income. One percent of HOME funds is set aside for Indian tribes. Each jurisdiction must allocate 15 percent to programs owned, developed, or sponsored by CHDOs. HUD will issue successful applicants an account (Home Investment Trust Fund) with a line of credit to be used on the approved housing strategy. HOME funds are distributed on a competitive basis.

Contact person: Tim Burton, HOME Program Manager, Housing Assistance Bureau (406) 444-0094.

Community Development Block Grant Program

Montana administers non-entitlement CDBG funds through the Community Development Bureau of MDOC. The State makes grants only to units of general local government that carry out development activities. Montana has developed funding priorities and criteria for selecting projects which revolve around three major objectives: developing community development objectives; deciding how to distribute funds among communities in non-entitlement areas; and ensuring that recipient communities comply with all applicable state and federal laws and requirements. Montana's Community Development Block Grant Program is a federally-funded competitive grant program designed to help communities of less than 50,000 population with their greatest community development needs. Eligible applicants are limited to general purpose local governments. All projects must principally benefit low and moderate income persons.

The basic categories for local community development projects are: housing, public facilities, and economic development. The CDBG program provides grants to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new housing (when sponsored by a non-profit organization); provision of public facilities and improvements such as water and sewer, solid waste and senior citizen centers; and assistance to for-profit businesses to help with economic development activities that will results in the creation or retention of jobs.

Regarding the housing category, CDBG funds are most often used to make low or no interest loans to low and moderate income facilities to allow them to rehabilitate homes in substandard condition. CDBG funds can also be used to finance or subsidize the construction of new permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include the site improvements to publicly-owned land or land owned by a non-profit organization to be used or sold for new housing. The clearance or acquisition of sites for use or resale for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities. A new eligible activity includes homebuyer assistance to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage amounts for low and moderate income homebuyers, financing the acquisition of housing that is occupied by the homebuyers, providing up to 50 percent of any down payment required, or paying reasonable closing costs.

The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income. Sixty percent of the funds must be used for activities which benefit low- and moderate-income persons.

Anticipated activities include:

- acquisition of property for public purposes;
- construction of public works projects;
- demolition;
- rehabilitation of public and private buildings;
- public services;
- planning activities;
- assistance to non-profits for community development activities;
- assistance to for-profit businesses for economic development activities;

The CDBG Program will deny some activities that are ineligible. These tend to be:

- government buildings;
- political activities;
- income payments;
- new housing and other facilities offering 24-hour care;

Contact person: Gus Byrom, Community Development Bureau (406) 444-4479.

HOPE 1 (Public Housing Homeownership) Program

The HOPE 1 Program is to assist in providing affordable homeownership for residents of public and Indian housing. HOPE 1 funds are available in three forms: planning grants and implementation grants. Eligible activities for planning grants include:

- replacement housing;
- development of resident councils;
- counseling;
- training and technical assistance;
- underwriting feasibility studies;
- preliminary architectural work; and
- development of security plans.

The maximum planning grant amount is $200,000, and it does not require matching funds. Mini planning grants are available.

With implementation grants, a grantee can fund

- rehabilitation;
- replacement reserves;
- legal fees;
- relocation;
- economic development activities; and
- administrative and operating costs.

Implementation grants support the cost of developing the housing. There is no cap on overall grant amounts, but some eligible activities are capped. This type of grant requires non-federal matching funds. Both grant types are awarded on a competitive basis.

Resident management corporations, resident corporations, cooperative associations, public or nonprofit organizations, public bodies or agencies, Public Housing Authorities, and Indian Housing Authorities are eligible to apply for HOPE 1 grants.

Contact person: HUD-Denver, Office of Public Housing (303) 844-4762.

HOPE 2 (Homeownership of Multifamily Units) Program (Title IV)

The HOPE 2 program was authorized in subtitle B of Title IV of the National Affordable Housing Act of 1990. Program funds are to be used to assist in developing homeownership opportunities for low-income persons by providing planning and implementation grants to organizations that will help families purchase and maintain units in multifamily projects. The projects must be owned by the government, FHA-distressed, or subject to mortgages that are insured or held by HUD. Resident councils, resident management corporations, cooperative associations, mutual housing associations, public or private nonprofit organizations, public housing agencies and Indian housing authorities are eligible to apply. Joint applications may be submitted. Grants are awarded competitively. Planning grants can be no more than $200,000, while mini planning grants may be only $100,000. They can be used for:

- development of resident councils;
- counseling;
- training and technical assistance;
- underwriting feasibility studies;
- preliminary architectural work; and
- development of security plans.

Implementation grants must be matched with non-federal funds that are at least 33 percent of the grant amount. The maximum implementation grant is based on the present published Section 8 Existing Fair Market Rents over a 10-year period. These grants can fund:

- rehabilitation;
- replacement reserves;
- legal fees;
- relocation;
- economic development activities;
- administrative and operating costs; and
- acquisition.

Contact person: Lois Tressler, Office of Housing, HUD-Denver Regional Office (303) 844-4959.

HOPE 3 (Homeownership of Single Family Homes) Program

HOPE 3 provides financial assistance for homeownership. Planning grants may be used for feasibility studies, technical assistance for grant recipients, researching the availability of properties, preparing applications for implementation grants, and program planning. HOPE 3 implementation grants may be used for the following:

- acquiring and rehabilitating property;
- assisting first-time home buyers in purchasing units;
- economic development to promote self-sufficiency of home buyers;
- administrative costs;
- replacement reserves; and
- home buyer outreach selection and counseling.

Eligible sources for housing are single family residential properties currently owned or held by HUD/FHA, VA, RTC, FDIC, DoD, GSA, DoT, FmHA, all other federal agencies, and state or local governments (including their agencies).

HOPE 3 eligible applicants include private nonprofit organizations, public agencies, cities, states, counties, and PHAs or IHAs in cooperation with a private nonprofit or cooperative association. Grants are awarded competitively: planning grants within a national pool, implementation grants in a regional pool. Planning grants cannot exceed $100,000; implementation grants must be under $3 million.

Contact person: David Jacops, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

HOPE for Youth (YOUTHBUILD)

The HOPE for Youth program was created as section 164 of the Housing and Community Development Act of 1992, which added it as a new subtitle D to the 1990 National Affordable Housing Act. Under YOUTHBUILD, the energies and abilities of youth who have dropped out of school or are in danger of dropping out would be utilized to develop permanent and transitional affordable housing for low-income families and the homeless, and to reconstruct urban neighborhoods. The program is geared toward young men and women aged 16 to 24. It provides academic and basic skills in preparation for a high school equivalency diploma and construction trades training. Half of the youth's time will be spent working and the other half would be spent in the actual construction or rehabilitation of housing under the supervision of trained and licensed construction workers. Regulations for this program are still being written.

Low-income Housing Preservation and Resident Homeownership Program (Title VI)

The Low-income Housing Preservation and Homeownership Program was authorized in Title VI of the National Affordable Housing Act of 1990. The program provides competitive grants to assure the continuation of Section 221(d)(3) and Section 236 projects, whose low-income use restrictions could otherwise expire after 20 years of the final mortgage endorsement. The grants are financial incentives to retain project-subsidized housing projects, and to encourage sales to purchasers who will keep the property for low-income persons. Resident corporations, owners of low-income housing, nonprofit organization, state or local agencies, or any entity that agrees to maintain low-income affordability restrictions may apply for funding.

Contact person: Richard Fox, Office of Housing, HUD-Denver Regional Office (303) 844-5351.

Shelter Plus Care Program

Shelter Plus Care grants help to provide housing and supportive services on a long-term basis for homeless people with disabilities, especially serious mental illness, chronic drug or alcohol problems, and AIDS. Program grants are used for the provision of rental assistance payments through Section 8 Moderate Rehabilitation (SRO), sponsor-based rental assistance (SRA), tenant-based rental assistance (TRA), or project-based rental assistance (PRA). HUD requires that 10 percent of total funds be made available for each of these four program types.

S+C funds are awarded in a nationwide competition, with priority given to homeless needs. States, units of local government, Indian tribes, and Public Housing Authorities can apply for Shelter Plus Care (S+C) grants. Support services must match rental assistance and must be supplied by federal, state, or local governments; or private sources.

Non-PHA applicants applying for the SRO component must subcontract with a PHA to administer the rental housing assistance. Applicants for the SRA must subcontract with a nonprofit organization, also called a sponsor, to provide rental assistance to sponsor-owned or leased units. PRA applicants must subcontract with a building owner to provide rental assistance for units in a particular property. No application may receive more that $10 million.

Contact person: Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

Supportive Housing for the Elderly (Section 202)

Supportive Housing for Elderly Persons provides funding to expand the supply of housing with supportive services for very low-income persons 62 years of age or older. Initial legislation authorizing this program was enacted in the Housing Act of 1959 (Section 202), and was amended in 1990 by Section 801 of the National Affordable Housing Act. Section 202 funding falls into two categories: capital advances and project rental assistance. Capital advances are to finance elderly housing that also offers supportive services. The advances are non-interest bearing, and are based on development cost limits published in the *Federal Register*. Project rental assistance covers the difference between the HUD-approved cost per unit and the amount the resident pays. Monies cannot go toward debt service. Funds can be used for acquisition, rehabilitation, new construction, rental assistance, and support services for households containing at least one person over 62 years of age. Private, nonprofit, and consumer cooperatives are eligible to apply.

Contact person: Lorin Hunt, Office of Housing, HUD-Denver Regional Office (303) 844-6261.

Supportive Housing for Persons with Disabilities (Section 811)

Section 811 grant monies are awarded to private, nonprofit organizations providing assistance to expand housing with supportive services for persons with disabilities. This often includes group homes, independent living facilities, and intermediate care facilities. Section 811 is targeted for persons with a physical disability, developmental disability, or chronic mental illness which is expected to be of long and indefinite duration, substantially impedes the person's ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions.

The program was authorized by the National Affordable Housing Act, Section 811. The competitive grants are available in two forms: capital advances based on the development cost limits published in the *Federal Register*, and project rental assistance to cover the difference

between the HUD-approved operating costs and 30 percent of the residents adjusted income. Occupancy is open to very low-income persons between the ages of 18 and 62.

Contact person: Lorin Hunt, Office of Housing, HUD-Denver Regional Office (303) 844-6261.

Homeless Assistance Grants/Emergency Shelter Grants Program

The Family Assistance Division's Homeless Assistance grants are to help improve the quality of existing emergency shelters for the homeless, to make available additional shelters, to meet the costs of operating shelters and of providing essential social services to homeless individuals to help prevent homelessness. The grants are 100 percent funded by the Health and Human Services and Housing and Urban Development departments. According to federal law, 95 percent of funds received must be allocated to the 12 regional Human Resource Development Councils (HRDCs). The grants fund the renovation, rehabilitation, or operating costs of homeless shelters, and the provision of follow-up and long-term services to help homeless persons escape poverty. Shelters to be assisted and service to be delivered are determined by the HRDCs. In FY 1993, the department will receive $115,000 of HUD and $73,361 of HHS homeless funding.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

Safe Havens Demonstration Program

Safe Havens grants are to provide very low-income housing for homeless people with serious mental illnesses. Funds may be used for new construction, acquisitions, rehabilitation, leasing assistance, low-demand support services, outreach activities for eligible persons, and operating costs. Governments and private and public organizations may apply for funding. Total assistance may not exceed $400,000 in five years, and all funds must be matched. This program does not exist yet, but its design is begin developed.

For further information, contact Nicole Kelso, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

Supportive Housing Program

This program was created by the Housing and Community Development Act of 1992. It replaces the Supportive Housing Demonstration Program (Transitional Housing Demonstration Program and Permanent Housing for Handicapped Homeless Program) and Supplemental Assistance for Facilities to Assist the Homeless (SAFAH). It incorporates many features of these programs into one program of assistance to governmental entities and private nonprofit organizations to provide housing and supportive services to homeless people. In FY 1993, $100 million will be available for the program. The Supportive Housing Program provides funding under four main components:

Transitional housing to facilitate the movement of homeless individuals and families to permanent housing.

Permanent housing that provides long-term housing for homeless people with disabilities (including AIDS and related diseases).

Housing that is part of a particularly innovative project for meeting the immediate and long-term needs of homeless individuals and families.

Supportive services for homeless individuals and families not provided in conjunction with supportive housing facilities.

The SHP covers acquisition, rehabilitation, new construction, leasing of structures, operating costs, supportive services, and administrative costs. Grants for operating costs are up to 75 percent for the first two years, and 50 percent for the next three years. Funds for acquisition, rehabilitation, and new construction must be equally matched by cash from other sources. Grants are available to states, local governments, other government entities, Indian tribes and housing authorities, private nonprofit organizations, and community mental health associations that are public nonprofit organizations.

Each year, programs undergo some changes to make them more efficient to operate and more responsive to those in need. Transitional Housing for the Homeless, Supplemental Assistance for Facilities to Assist the Homeless (SAFAH), and Permanent Housing for Disabled Homeless Persons have been incorporated into the Supportive Housing Program.

Contact person: Nicole Kelso, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO)

Under the Section 8 Mod Rehab SRO program, HUD enters into annual contributions contracts with PHAs in connection with the moderate rehabilitation of residential properties which will contain multiple single room dwelling units. Funding can be used for operating expenses, debt service for rehabilitation financing, and monthly rental assistance. Resources to fund the cost of unit rehabilitation must come from other sources, and units must need a minimum of $3,000 in rehabilitation. PHAs, IHAs and private nonprofit organizations can apply for grants. For FY93, however, nonprofit organizations must subcontract with a PHA to administer SRO rental assistance. Grants are awarded in a nationwide competition on the basis of need and ability to undertake an SRO program.

Due to limited resources, HUD will only accept applications that propose to assist homeless individuals and those already living in units eligible for Section 8 assistance. In order to assure some assistance to homeless people, 50 percent of the units proposed for assistance must be vacant at the time of application submission.

Contact person: Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121; George Warn, Housing Assistance Bureau, (406) 444-2804.

Housing Opportunities for Persons With AIDS

The Housing Opportunities for Persons with AIDS program (HOPWA) was established by the National Affordable Housing Act. In order to more expeditiously address the pressing needs of persons with AIDS and related diseases, HUD published a July 1992 interim rule. The rule describes two types of HOPWA grants: formula entitlement grants (90 percent of funds allocated) and competitively awarded grants (10 percent of funds allocated). HOPWA grants are to provide states and localities with the resources and incentives to devise long-term strategies for meeting the needs of low-income persons with AIDS and related diseases.

To qualify for a formula allocation, states or eligible metropolitan areas must have more than 1,500 cases of AIDS, a HUD-approved CHAS, and (for EMAs) a population of more than 500,000 people. For states, the 1,500 AIDS cases must be outside state EMAs. In December 1992, $90 million dollars in assistance was made available for formula allocations.

All localities and states, regardless of population and number of AIDS cases, may apply for grants on projects of national significance. National significance is determined by the innovation of the project compared to other applying projects, and the potential for replication of the project. Funding for five grants to nationally significant projects was announced in August 1992 (*August 25, 1992, Federal Register*). Funding for five other projects was also announced at that time. These funds were aimed at states which did not qualify for formula grants, localities outside of EMAs, and localities inside EMAs that do not have a HUD-approved CHAS. For the FY 1992 competitive grant program, only government organizations could apply for funds. An additional $10 million for competitive grants is expected to be announced in a later NOFA. Most activities proposed by the applicant will be considered for eligibility.

Contact person: Bruce Desonia, Sexually Transmitted Diseases/AIDS, Dept. of Health and Environmental Sciences (406) 444-3565; Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

Rural Homelessness Grant Program

Rural Homelessness grants provide direct emergency assistance, homeless prevention assistance, and assistance for permanent housing. Private nonprofit organizations, Indian tribes, county and local governments may apply. Other eligible areas are all areas outside of Metropolitan Statistical Areas and rural census track within MSAs. The grants are designed for the following:

- rent, mortgage, or utility assistance;
- security deposits;
- support services;
- rehabilitation;
- short-term emergency lodging;
- transitional housing;
- cost of using federal inventory property programs; and
- capacity building.

HUD's Office of Community Planning and Development does not currently have information on this program.

Energy Programs

Energy program funds are available from the Department of Energy and other agencies. Allocations can be used for rehabilitation and new construction.

A. Weatherization

Energy costs are one of the greatest demands on a low-income family's resources. During Montana's winter, these costs can exceed rental or mortgage costs. The weatherization program administered by the Montana Family Assistance Bureau is 100 percent funded by the Department of Energy and Department of Health and Human Services. The program is designed to help low-income persons reduce their home heating costs and to conserve natural resources. The funds are directed toward local Human Resource Development Councils (HRDCs) and tribal organizations. These organizations decide where the grant money will be spent to install energy saving measures in the homes of low-income persons. Homes are prioritized based on energy consumption.

Specific measures are decided upon after each home has had an energy audit to determine which activities would be most cost-effective. Measures include insulation, caulking, furnace repair and replacement. All labor and materials are purchased locally. By reducing overall costs, weatherization helps a family stay in their home, increasing family self-sufficiency. Income not spent on utility bills stays in the local economy, as does money spent on labor and materials.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

B. Low Income Energy Assistance Program (LIEAP)

The Family Assistance Division's Low Income Energy Assistance Program (LIEAP) is 100 percent funded from the Department of Health and Human Services. The goal of this program is to assist low-income families in meeting the home heating costs. Funding for each household is determined using a series of matrix tables which factor the household's income, fuel type, size and type of home, and local heating degree days. Payments are made to the household's utility company. Supplemental payments are available for very low-income households. Emergency payments are allowed for unforeseen energy-related events. Up to 15 percent of the block grant may be used for weatherization activities to decrease long-term heating cost problems.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

Low Income Housing Tax Credit Program

The low income housing tax credit is available under Section 42 of the Internal Revenue Code of 1986. The credit was first allocated in Montana in 1987. The federal income tax credit is available to owners of qualifying rental housing which meets stated rent limitation and low-income occupancy requirements. Owners of all buildings, except for certain buildings financed with tax-exempt bonds, must obtain a credit allocation from the appropriate state agency before claiming the tax credit. The Montana Board of Housing allocates the credit for housing located in Montana. The credit allowance for each state will be no greater than $1.25 per State resident.

The tax credit is for residential rental buildings which are available to the general public and are part of a qualifying low-income project. Ineligible units include transient housing (initially leased for less than six months), buildings of four or fewer units which are occupied by the owner or a relative of the owner, nursing homes, life care facilities, retirement homes providing services other than housing, dormitories, and trailer parks.

The tax credit may be used in conjunction with the construction, substantial rehabilitation, or acquisition and substantial rehabilitation of qualifying residential rental housing.

Contact person: Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

C.2. NON-FEDERAL PROGRAMS
i. STATE PROGRAMS

Energy Efficient Housing Program for New Construction

The Energy Efficient Housing Program for New Construction is planned by the Montana Bureau of Housing and Department of Natural Resources and Conservation as a means to assist middle-income persons with payments on newly constructed energy efficient housing. It would set up a mortgage insurance pool from which funds could be drawn. FHA would insure the fist $75,500 of the loan at 5 percent interest (their maximum) and the State the rest (also at 5 percent) up to $97,700 (the IRS-allowed ceiling on mortgages financed with BOH tax-exempt bonds). The FHA maximum mortgage level is $85,400 in Gallatin County, $83,600 in Missoula County, $83,050 in Cascade and Yellowstone counties, and $75,500 in the remaining counties.

The two loans would total out to 95 percent of the appraised value of the house. There would be a single monthly payment on the loans. The maximum the State would need to insure is the difference between these two amounts, or $22,200 per house. Houses will most likely fall into the $85,000 to $95,000 range. Each house would need certification of energy efficiency to qualify for the loans. The program could start with a $300,000 appropriation of oil overcharge funds currently available to the State, and would expand the coverage of existing BOH programs. The insurance pool would be sustained with home owner contribution of 3 percent initial and 1.5 percent annual, paid monthly, mortgage insurance premium and utility

contributions to the pool. It would be maintained at an initial maximum value of 25 percent of the dollar amount invested in second mortgages.

Contact person: Alan Davis, Bureau Chief, Montana Planning and Analysis Bureau, Energy Division, Dept. of Natural Resources and Conservation (406) 444-6756.

MONTANA BOARD OF HOUSING PROGRAMS

The Montana Board of Housing was created by the Montana Housing Act of 1975 in order to alleviate the high cost of housing for low-income persons and families. The funds to operate the programs administered under the act are generated through either the sale of tax-exempt bonds or from administrative fees. The board's programs fall into two categories: home ownership and multifamily programs. Each are described below.

Contact person (all Montana Board of Housing programs): Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

HOME OWNERSHIP PROGRAMS

Single Family Bond Program (initiated in 1977)

The Board of Housing works with approximately 80 lenders statewide to provide mortgages 1.5 percent below conventional rates to assist primarily first-time home owners. In certain target areas, the borrowers need not be first-time purchasers. The program has assisted over 18,000 Montanans to date, at a rate of 1,000 to 1,500 purchases per year. Average household income for the program is $27,290, with a maximum family income limitation established by the BOH. Since 1975, $734 million in bond proceeds have been loaned to home buyers. The home is to be owner-occupied with limited business use of the property. The purchase price or construction cost of the home may not exceed $75,500 or the FHA maximum insurance limit for the area. The refinancing of an existing home loan is not permitted.

Mortgage Credit Certificate Program (initiated in 1987)

This program enables moderate and low-income individuals to convert 20 percent of their annual mortgage interest expense from an itemization (income deduction) to a federal tax credit (tax payment reduction). Average household income of those served under this program was $28,466. A total of 2,476 individual and family households have been assisted through this program since inception. While the program is mainly to assist first-time home owners, in certain target areas, the borrowers need not be first-time purchasers. The home is to be owner-occupied with limited business use of the property. The purchase price or construction cost of the home may not exceed $75,500 or the FHA maximum insurance limit for the area. The refinancing of an existing home loan is not permitted.

Home Buyers Cash Assistance Program (initiated in May 1991)

This program provides cash assistance to close a loan for home buyers having an income of no more than $23,000. Funds may be used for up to 50 percent of the minimum cash required to close a loan (maximum advance of $1,000), and these funds are combined with 6⅞ percent, 30-year mortgage money. Purchase price of the home may not exceed $50,000. Since its inception, the program has provided permanent financing of $4,917,213 for 138 homes. In addition to permanent financing, the program provided $119,778 in cash assistance with closing costs. Average household income for this program was $17,209.

203(k) Rehabilitation Home Mortgage Program (initiated in March 1992)

The Board of Housing set aside $5 million to provide a firm secondary market for the acquisition and rehabilitation of an existing dwelling not meeting minimum FHA standards. The home is to be owner-occupied with limited business use of the property. The purchaser is to be a first-time homebuyer except for certain targeted areas. This program is conducted in conjunction with the Department of Housing and Urban Development. The maximum loan amount is $60,000 and family income may not exceed $30,000. The refinancing of an existing home loan is not permitted. The board has purchased two loans for $100,750.

Montana Manufactured Housing Program (initiated in September 1992)

The Board of Housing set aside $4.5 million to finance single family manufactured housing installed on a permanent foundation on titled (owned) property. Lot cost, well, and septic can be included in the loan. These are 30-year loans with a 7¾ percent fixed rate of interest for first-time homebuyers or single parents (a separated or divorced person that was co-owner of a house) with annual household income at or below $25,000. The home is to be owner-occupied with not investor involvement. The lot cannot exceed five acres. The maximum mortgage amount is $65,000.

Disabled Access Affordable Homeownership Program (initiated July 1, 1993)

The board set aside $3.5 million to provide affordable architecturally accessible homes for people with disabilities such that they can live independently. The board has approved for eligibility 55 applications for individuals/families with an average income of $14,249.

MULTIFAMILY PROGRAMS

Multifamily Rental Housing Program for Non-Profits (initiated February 1993)

The Rental Housing Program provides mortgage funds for affordable rental housing for low-income Montanans. It is intended to use capacity and knowledge of local governmental units and non-profits to develop affordable housing to meet local needs. Funds are to be used to provide construction and permanent financing for projects meeting the terms and conditions

detailed below. Proposals will be accepted from governmental units and non-profits based on a Request for Proposal distributed by the BOH. Due to tax law restrictions, applicants for the pilot project are limited to governmental units or nonprofit subsidiaries of governmental units. Approximately $50,000 of the $2.5 million available can be lent to other nonprofit groups such as HRDCs, Neighborhood Housing Services, and other private, nonprofit special needs corporations. The eligible applicant must be the owner of the project, must oversee the construction, and must be the property manager for projects financed under this program. The eligible applicant may contract with private industry for various segments of the project.

Multifamily Bond Program (initiated 1978)

From 1978 until 1982, the Board of Housing issued tax exempt bonds to finance the construction of new, or the rehabilitation of existing, low-income multifamily housing. During that period, the board financed 668 multifamily units for low-income families and the elderly. During federal fiscal year 1993, the board made preliminary commitments of loan funds through the Multifamily Pilot Program for Rental Housing to non-profit and governmental sponsors of seven projects. These projects total $2,023,253 in loan funds, $4,723,005 in projected costs, and will provide 79 units of affordable rental housing. All of the projects are anticipated to be constructed in 1994.

Low Income Housing Tax Credit Program (initiated 1987)

This program made use of federal tax credits to provide incentives to developers to provide low-income housing. Housing built under the program was restricted to individuals with incomes at or below 60 percent of HUD median income. In addition, rents were restricted to 30 percent of monthly median income. The board allocated $639,735 in federal tax credits for 154 units of rental housing. The city of Billings received 60 of these units, with a total of $284,169 in tax credits. Three projects allocated credits in FY 1993 were placed in services in that year, as were two projects allocated carryover credits in prior years. These projects total 46 units and $72,310 in tax credits (projects allocated in FY 1993) and 79 units and $147,923 in tax credits (projects allocated carryover credits in prior years.) Through FY 1993, the board allocated a total of $2,917,629 in tax credits for a total of 943 units of rental housing in 38 projects.

ELDERLY PROGRAMS

Reverse Annuity Mortgage Loan Program for Elderly Persons (initiated in 1989)

This program enables persons 68 years or older to benefit from an additional income source: their home equity. In addition to other uses, the funds may be used to make repairs or improvements to the home. The RAM pilot program is available to senior citizens meeting several general eligibility requirements. All borrowers must be 68 years of age or older. The borrower's annual family income must not exceed $10,500 for one-person households, $13,800 for two-person, and $15,500 for three or more persons. The borrower must be the owner and

occupant of a single-family dwelling that is unencumbered by any prior mortgage. The single-family dwelling must meet minimum FHA property standards as determined by an FHA appraisal.

The loan amounts may range from a minimum of $15,000 to a maximum of $40,000. The maximum loan amount would be determined based on 80 percent of the FHA determined property value. Potential borrowers must complete a reverse annuity mortgage counseling program provided through the Montana Aging Services Network. The program has assisted 14 senior homeowners since it began taking applications. Funds committed to these loans totaled $382,749. Average annual income for these borrowers was $7,751.

C.3. PRIVATE RESOURCES

i. FOR-PROFIT

The Community Reinvestment Act (CRA) has stimulated the involvement of for-profit organizations in the provision of affordable housing. One example of CRA's work is the Community Home Ownership Program of Norwest Bank. Ten million dollars has been allocated by Norwest Banks in Montana and Wyoming to be used for home mortgage loans. The loans are available to people in Norwest Bank-designated market areas in Montana for purchasing single-family, owner-occupied residential units. The bank's program provides a low down payment, no discount points, low loan origination fees, and competitive interest rates on home mortgage loans. The loans are available only to families earning no more than 115 percent of the HUD-determined median income for the area, or $30,000. These benefits help make home ownership possible for some low- and moderate-income Montanans.

SECTION II - FIVE YEAR STRATEGY
SUMMARY OF HOUSING PROBLEMS

INSUFFICIENT HOUSING AVAILABILITY

Lack of available housing requires resolution; nothing is available for low- and moderate-income Montanans in most parts of the State. When housing is available, it tends to be of substandard quality. Since the 1990 Census was taken, Montana's major cities have experienced a dramatic increase in population that is driving up the demand for housing; prices are following demand accordingly.

In cities such as Kalispell, Missoula, Bozeman, Helena, and Billings, in-migration is often comprised of higher income persons who are in a better position to purchase land and buildings than many current State residents. Of those Montanans who can afford housing, many must resign themselves to acquiring lower-quality shelter due to the encroaching housing shortage. Low-income Montanans lose housing options. People fear becoming homeless because they can no longer afford housing in their area, whether rented or owned. The housing that is being constructed tends to be more expensive, up-scale homes. Little, if any, construction activity creates affordably priced homes and rental property. Within the next few years, Section 8 waiting lists administered by the State are expected to swell about 65 percent, to over 10,000 people.

ABSENCE OF HOUSING AFFORDABILITY

Affordability varies widely around the State, but it is typically a severe problem in the more urbanized areas. Rural and sparsely populated regions of Montana tend to experience dual problems: housing shortages and housing quality. Because of the tight market and general lack of homebuilding, prices for both homes and rental units have risen sharply in the last year.

There is a large gap between what the market is supplying and what people can afford. Some Section 8 landlords are increasing rents at annual review, citing prevailing markets, rates, taxes, and sewer increases. Other Section 8 landlords are simply leaving the program for the private rental market that provides wider profit margins, citing HUD limitations on rent increases and use of vouchers and certificates.

INADEQUATE HOUSING SUITABILITY

A major problem pertains to the structural and physical integrity of the housing stock. Although many people live in their own homes, incomes are not high enough to maintain them. Several examples highlight this condition. Physical deficiency in much of the housing stock is a major problem statewide. A portion of the stock is 100 years old and built on sandstone foundations. Structures also tend to have old, inadequate electrical wiring and gas vented chimneys used for wood stoves. Most older homes are poorly insulated. Particularly troubling

for the large stock of Montana's older homes, is the prospective risk of lead-based paint hazard. Nearly two-thirds of the housing stock could be affected, although low income rentals present the greatest risks.

In these areas, lack of return on investment is a major problem for landlords of housing units that need rehabilitation. Landlords do not want to lose their present tenants, but are also reluctant to borrow money and incur debt when they cannot afford to evict tenants or raise the rents to meet the debt service.

LACK OF HOUSING ACCESSIBILITY

Under the Americans with Disabilities Act, housing accessibility has become a visible need across the State. Accessibility is a problem unless a unit is specifically built for people with disabilities. Modifications are often difficult and expensive, and must be removed when the tenant leaves (according to the ADA). Most people with disabilities cannot afford to do this, and landlords do not want the inconvenience or cost of constant remodelling.

A. SUMMARY
MONTANA'S FIVE-YEAR HOUSING STRATEGY OBJECTIVES

While all housing difficulties fall into one (or more) of the four problem areas, the exact circumstances faced by Montana's communities are as diverse and widespread as the State's geography. A combination of population in-migration and an economy undergoing structural change has had a dire effect on Montana's housing situation. Since the 1990 census was taken, the cost of housing has risen dramatically; available, affordable housing for the very low-income, low-income, and moderate-income population has disappeared in many areas of the State. In other parts of the State, existing vacant housing needs maintenance, causing an overall decline in the suitability and quality of housing. No single prescriptive approach to solving Montana's housing problems is applicable on a statewide level. Montana's strategy is designed to address the four problem areas, but is comprised of many pieces. These are itemized below, and summarized immediately thereafter. The strategic actions are:

- Relieve the shortage of available housing stock;
- Increase the stock of rental units, especially assisted units;
- Promote capital formation to build an adequate number of affordable housing units;
- Increase the ability of low- and moderate-income households to buy homes;
- Increase resources to finance housing maintenance and improvements;
- Better define and explain housing assistance programs;
- Work to ensure fair housing compliance;
- Assist in securing adequate resources to meet the needs of persons requiring supportive and transitional services in achieving permanent housing;
- Assist in securing adequate resources to meet needs for supportive services for the homeless;
- Assist in securing additional funding and resources to increase capacity and counseling service for runaway youth;
- Increase accessibility of Montana's housing stock;
- Increase energy efficiency of Montana's low-income housing stock; and,
- Increase MDOC's ability to respond for requests for technical assistance.

STRATEGIC ACTION DISCUSSION

RELIEVE SHORTAGE OF AVAILABLE HOUSING STOCK

There is a lack of housing in Montana. The problem is especially severe for the low- and moderate-income population. From the long-term poor to the newly poor, the elderly, disabled, families, and young singles all face a lack of affordable housing and shelter. The largest increase in need, however, appears to be for low- and moderate-income families. The number of homeless, newly poor families has risen greatly in the last year, while the State's available, affordable housing has decreased. This increase in demand has been met with little corresponding increase in housing stock anywhere in the State.

Vacancy rates statewide average from 3 percent in some of the rural areas to zero in the urban areas with long waiting lists. Because of the shortage of all types of housing, landlords can rent their units for much higher prices. The increase in demand caused by people moving into Montana from other states prices the low-income population out of even minimum standard shelter. Deinstitutionalization of mentally disabled people, an increasing number of elderly people who can no longer maintain their own homes, and low-income people displaced by those who can afford to pay higher rents are contributing to the problem as well.

Surveyed statewide housing officials expressed the opinion that developers have no incentive to build the kinds of housing needed to ease the housing problem in Montana. There is little or no return on a builder's investment in low-income housing and a lack of zoning for multifamily dwellings. There is also a shortage of land subdivided and ready to build upon, and a severe lack of mobile home spaces. Weak statewide subdivision regulations allow the creation of subdivisions through "occasional sale" transactions. This frustrates comprehensive planning efforts, creating infrastructure problems for cities and counties.

DESIRED ACTIONS

New construction must be initiated. Montana needs multifamily dwellings and additional public housing. Rehabilitation programs to keep existing stock from deteriorating and maintenance programs to help the elderly remain in their homes will be promoted. State-funded housing programs should be expanded to help build housing and provide state matches for federal programs. MDOC intends to facilitate a cooperative effort among lenders, local housing authorities, and service organizations to develop cohesive packages to compete for housing program funds. Incentives to builders will be inspected. Programs such as the Low Income Housing Tax Credit Program and the Single Family and Multifamily Bond Programs will be further encouraged.

MDOC expects to release a set of model zoning and land-use policies that encourage affordable housing. Furthermore, local governments will be encouraged to review their land-use policies to determine whether they are exclusionary with respect to certain types of affordable housing.

INCREASE STOCK OF RENTAL UNITS: ESPECIALLY ASSISTED UNITS

Public Housing Authorities (PHA) in Montana have not been able to keep up with the demand for affordable rental housing for low-income persons. Waiting lists in the major cities are extremely long, especially for families. The State-administered Section 8 waiting list is anticipated to exceed 10,000 within the next few years. Furthermore, in the July 1992 regional competition for rental certificates and vouchers, no rental certificates or vouchers were allocated to PHAs in Montana. Every administrator of Section 8 subsidies in the State reports growing waiting lists for families.

Housing officials also noted that Section 8 vouchers are issued to the tenants themselves, independent of a particular unit. The potential exists for those holding vouchers to take them with them when they leave the community. Housing officials are not issuing new vouchers, resulting in a community less able to address low-rent housing needs. This problem is especially difficult for rural areas where people are leaving in greater numbers to find employment in larger communities.

DESIRED ACTIONS

More affordable multifamily rental housing must be created. MDOC will work to facilitate rental housing programs that are directed toward the development of new units and rehabilitation of existing unsuitable units.

The Section 8 voucher system does not guarantee that the assistance will stay within a community, since families take vouchers with them when they move. Periodic review of voucher distribution by HUD and the State of Montana would help determine if additional vouchers should be issued. If so, MDOC will advocate on behalf of the State.

PROMOTE CAPITAL FORMATION TO BUILD AFFORDABLE HOUSING UNITS

There has been little new construction or rehabilitation of existing housing units in recent years. HUD noted in its June 1991 report entitled *A HUD Perspective of Montana* that a portion of this problem relates to capital scarcity:

> "There is little new development of apartments in the State. Refinancing of existing projects is also slow because of low market value and constrictive underwriting requirements for available programs. Importation of capital into Montana via conventional sources is scarce. Local lenders shy away from lending on government projects because of their size and the lenders' lack of knowledge about HUD programs."
>
> Further, the 1986 Federal Tax Reform Act eliminated a number of investment incentives including the provisions effecting capital gains exclusions, accelerated depreciation and passive income issues. For example, the investment tax credit for the rehabilitation of older buildings for income purposes including multifamily housing has been severely impacted. The Montana State Historic Preservation Office, which manages the program, notes that the number of projects has diminished sharply since 1986.

Often real estate development financing is derived through the use of limited partnerships. The investment incentives for limited partnerships were all but eliminated through provisions in the 1986 Act. This has resulted in the development of fewer multifamily units aimed at benefiting low-income Montanans. According to the Montana Building Industry Association, the loss of federal tax incentives associated with multifamily construction in 1986 is now resulting in a serious rental housing shortage in a number of Montana jurisdictions.

Some areas of the State cited higher "outside" costs as a contributing factor to the lack of development of multifamily units. These include infrastructure development, service hook-ups, and compliance with various local land use regulations. However, all agreed that the overriding issue has been the loss of important federal incentives which guarantee an adequate rate of return for the development of multifamily housing.

In many areas, especially those where there is a high demand for all types of rental housing (college communities, tourism communities, and communities which offer regional medical and social services), housing officials noted that fair market rents under the Section 8 program were too low to be of interest to private developers.

Prospective lowering of HUD fair market rents (FMR) could make this situations worse. FMRs are often already below the non-subsidized rents charged in a community.

DESIRED ACTIONS

Since permanent acceptance of the Low Income Housing Tax Credit has passed, MDOC is in a better position to provide information to investors for the purposes of helping them to identify the best markets of affordable housing.

Also, recent legislation (SB 215) passed by the Montana Legislature no allows a county or a municipality to donate Tax-deed land to a nonprofit corporation for the construction of residential housing. These resources must now be located and encouraged for the development of affordable housing units. Private developers need to be assured of an adequate return on their investment.

INCREASE ABILITY OF LOW AND MODERATE INCOME HOUSEHOLDS TO BUY HOMES

Many low-income families currently living in rental housing would like to move into a home. The monthly mortgage payment is typically lower than rental costs in a non-subsidized unit. However, many people lack sufficient funds for the down payment and closing costs. A second complications relates to the type of housing being selected by the lower income household. In order to qualify for participation in various programs (Montana Board of Housing, FHA, VA) the house itself must be qualified. Some of the available housing is too high-priced to qualify for the Board of Housing programs. Buyers are having difficulty finding a qualified house which they can afford.

DESIRED ACTIONS

The newly established HOPE and HOME programs will provide new sources of funds to assist first-time homebuyers in securing affordable housing. MDOC will continue to efficiently administer these programs.

The Montana Board of Housing 203(k) program, which assists home buyers in making repairs to homes in order to qualify for mortgage assistance, could be more widely utilized. The loan limitations contained in the program could be reviewed to reflect inflationary effects on the cost of renovation and compliance work. MDOC will work to expand this programs effectiveness.

INCREASE RESOURCES TO FINANCE HOUSING MAINTENANCE AND IMPROVEMENTS

Funding is limited for improvements to homes and rental units, especially for elderly persons, persons who require special modifications for disabled access, for those experiencing high energy costs, and for those homes which are in violation of building codes. This violates Montana's policy of securing a suitable housing stock.

DESIRED ACTIONS

Homeowners, renters, and landlords need education programs that teach them how to recognize seemingly small problems that need attention and how to do simple repairs themselves. Many general lack of knowledge available programs such as Montana Board of Housing Reverse Annuity Mortgage Program. This program allows senior citizens to tap into their home equity to secure resources for maintenance. Long-term housing rehabilitation loan funds could be made available through other avenues too. All these are to be available to low income households.

The State could identify programs to assist elderly persons who wish to stay in their own homes. These might include special community projects which employ persons to make needed repairs. CDBG funds may be used to leverage private dollars to establish revolving loan/grant funds. Under such a program public and private dollars could also be made available to senior homeowners to make repairs. As with the Reverse Annuity Program, the loan would be repaid when the house was sold.

SIMPLIFY HOUSING ASSISTANCE PROGRAMS

Paperwork and documentation requirements are complex, detailed, and stringent and personnel needed for such activities are very limited. Perceptions are that rules, regulations, and available funds are too program-specific and difficult to properly target. Housing programs are run as separate, categorical programs with no comprehensive mechanism to combine programs to fit client's varied needs.

DESIRED ACTIONS

MDOC will encourage agencies to coordinate program implementation efforts and pool their resources. The MDOC Housing Information Clearinghouse will incorporate all active programs in the State, include all assistance facilities, and provide contact names and program descriptions. This process will encourage a single-source information data base, able to respond to all housing- and program-related inquiries.

MDOC will work to provide simpler program access and administrative procedures. The CHAS Steering Committee will form a task force designed to inspect and recommend options for enhancing efficiency and practicality in program administration.

The CHAS process is intended to bring federal, state, and local government together with citizens, and the private sector to help develop a coordinated State plan.

A statewide database which identifies all disabled accessible living units in the State would help disabled persons, housing managers, and other housing advocates. Housing discrimination continues to be a significant obstacle for people with disabilities. It has been suggested that programs to test for discrimination be expanded and housing development projects be monitored for compliance with federal statutes regarding the number of accessible units.

WORK TO ENSURE FAIR HOUSING COMPLIANCE

With rental units full and tenants experiencing difficulty with suitable housing, it has become easy to discriminate against the poor, the physically disabled, the mentally disabled, Native Americans, even the elderly. Landlords can, and do, pick and choose to whom they rent. Sexual harassment and unwarranted eviction have been reported.

DESIRED ACTIONS

The general public, landlords, and tenants alike need to be better educated on fair housing practices. The State needs to affirmatively further fair housing practices in whatever way it can. Violations of fair housing practices need to be reported and handled in an effective way. MDOC will continue to ensure that each project approved under programs it administers will enforce fair housing regulations and requirements.

SECURE ADEQUATE RESOURCES FOR PERSONS NEEDING SUPPORTIVE AND TRANSITIONAL SERVICES

Homeless individuals and families and persons with disabilities require supportive services in conjunction with the provision of affordable housing. In particular, those persons with non-mobility related disabilities often require extensive special services, particularly those who are chronically homeless, chemically dependent, or mentally disabled.

DESIRED ACTIONS

Preventative measures to keep people in their homes are desirable. Funds for short-term payment of mortgages until families find new employment would significantly reduce the number of homeless persons. As with other types of rental housing, incentives must be expanded to attract private dollars for the construction of additional transitional units. Further, the State is interested in providing housing assistance, and services, to those who may require it.

INCREASE ACCESSIBILITY IN THE HOUSING STOCK

Accessibility is a critical issue for many disabled persons. Accessible housing must be developed for disabled persons. The development of capital resources is required to assist homeowners and rental unit managers in the rehabilitation of existing units to provide accessibility. Both remedial and compensatory projects which accommodate the accessibility costs for property managers, landlords, and homeowners with disabilities are critically needed. Further, disabled renters need more assistance in rental deposits so that once units are available, initial occupancy costs are not prohibitive.

DESIRED ACTIONS

Work to promote accessible housing. Implement and utilize the Disabled Accessible Affordable Homeownership Program initiated late in FY 1993 by the Montana Board of Housing. Encourage support all applications for Section 811 funds.

INCREASE ENERGY EFFICIENCY IN THE HOUSING STOCK

Given the high cost of space heating in Montana, it has been suggested that greater emphasis be placed on the energy efficiency of rental units to assure lower utility costs to tenants. Multifamily projects which use innovative heating and cooling systems emphasizing conservation could be given preference.

DESIRED ACTIONS

Expand the use of weatherization funds to multifamily rental units. Promote long-term solutions to the energy efficiency problem through the Energy Efficient Housing Program for New Construction. Lobby for a larger percentage of LIEAP fund to be applicable to the weatherization of low-income homes.

DECREASE HOUSING ENVIRONMENTAL HAZARDS

A major environmental hazard affecting housing is lead-based paint. Montana programs related to control of lead-based paint hazards are in their infancy at the present time. Pre-1940 housing units, those most likely to contain lead-based paint, make up 17.1 percent of the total units in Montana. Of those units built before 1940, 25.4 percent are occupied by very low-income renters. Older rental units have higher rates of lead poisoning than do pre-1940 owner-

occupied units. Of all renter households, about 58,010 are estimated to have lead-based paint. For owner-occupied households, 92,189 are estimated to have lead-based paint. This is not an indication of the number of households with a lead-based paint hazard; it is merely those most at risk. The findings of initial Superfund-related study by the Butte-Silver Bow Health Department, when applied to the State, indicate that approximately 8,500 children may currently be at risk of lead poisoning.

Only two programs are currently functioning. East Helena has a lead program which is relatively small, screening approximately 50 children annually in the East Helena area only. The program is funded by ASARCO and is part of the Lewis and Clark County Health Department.[27] The Butte Childhood Lead Poisoning Prevention Program is a comprehensive program funded by the Atlantic Richfield Corporation (ARCO). The Butte program is part of the Butte-Silver Bow County Health Department. Funds are used to support staff positions, screening activities, lab support, and environmental investigations.

DESIRED ACTIONS

The Montana Childhood Lead Poisoning Prevention Program will entail the creation of local programs within the communities thought to have the highest at-risk population: Great Falls and Missoula. The program would eventually incorporate other major cities not served and access for rural areas through the urban program. Activities for the first year include the launching of a statewide education and outreach effort, organizing the program in these two cities, and demonstrating a rural outreach model, accessing areas of southwestern Montana through the existing program in Butte. The first six months would be spent in selecting and training community staffs and launching the education program in each area. Screening, environmental assessments, and environmental and medical management would begin after the first six months.

The Montana Department of Health and Environmental Sciences (MDHES) has requested funds under the State and Community-Based Childhood Lead Poisoning Prevention Program. The funds will be used for the Montana Childhood Lead Poisoning Prevention Program. This program will be initiated by the Butte-Silver Bow Health Department, under contract to MDHES. A secure funding source needs to be located.

Implementation should continue on a Lead Levels Advisory Committee with representatives from county and State government, the private non-profit sector, universities, physicians, and citizens. In addition, the Occupational and Radiological Health Bureau in the State Department of Health should complete their proposed program to certify training courses for workers, supervisors, and inspectors of lead-based paint evaluation sites.

[27] The East Helena Lead Program began in conjunction with an overall environmental investigation associated with area smelting activities.

FURTHER THE PREVENTION OF HOMELESSNESS

Homelessness, while not as prevalent a problem in Montana as in other states, continues to grow. With several areas experiencing very high rates of unemployment, continuing low wage rates, and some industries continuing to experience difficult to adverse economic conditions, homelessness may continue to threaten may Montana citizens. Actions need to be taken to prevent others from becoming homeless.

DESIRED ACTIONS

These actions will include additional training and counseling. Such actions, while not always directly a housing program, will involve local and state social service agencies in the development of transitional housing, permanent housing, and employment training. Their immediate needs relate to affordably priced permanent housing, medical health services, food, and clothing.

FURTHER SUPPORT SERVICES FOR RUNAWAY AND HOMELESS YOUTH

As noted in the SRS survey of homelessness in the State, homeless youth were the only group that was turned away from the facilities during the winter count. This should not have happened, as this groups may turn to less desirable ways to secure shelter.

DESIRED ACTIONS

Montana will attempt to secure a more stable stream of funding to support services for runway and homeless youth. This group suffers from behavior anomalies and has had difficulty adjusting to adulthood. Alcohol and drug treatment, emotional and mental counseling, job training, and other services are required.

B. PRIORITY ANALYSIS AND STRATEGY DEVELOPMENT
GEOGRAPHIC DISTRIBUTION AND IMPLEMENTATION

Housing needs across the State of Montana vary widely. The extreme diversity in available housing, the age of the housing stock, and the overall range in population density complicate assessments of the degree of need. There is a broad array of housing availability, affordability, and suitability problems. The State believes that simply treating the symptoms of the malady will not be sufficient to solve the problems. Resources do not appear to be adequate to completely deal with the housing needs and requirements that plague the State.

The State intends to implement its five-year strategic plan statewide, using funds in a competitively based process founded on needs identified at the local level. This means that each local entity must evaluate its needs carefully, articulate them well, present a plan to acquire program resources, and compete with other jurisdictions applying for funds. Montana does not have sufficient resources to fulfill all requests, or to address all problems at the same time. Those best planned and articulated receive funding.

The needs identified and prioritized at the State level may not retain a similar priority rating for implementation at the local level. The statewide priority classification represents only a general indicator of anticipated applications; actual application activity by local jurisdictions may be different, as the identification and quantification of need at the local level is incumbent upon the local community.

The programs historically have been implemented on a statewide competitive basis, and entities receiving CDBG funds are forced to draw down their allocations by 75 percent before they are eligible to apply for additional program funds. This method has been shown to disburse funds equitably throughout the State, allowing all entities an equal chance to apply for funds. Therefore, program activities associated with entitlement areas, non-entitlement metro areas, and rural areas are all represented.

CHAS Table 2, on page 185, presents the priority rating for each type of in-need group. These ratings are summarized in the narratives below.

PRIORITY RANK #1 - RENTER AND HOMEOWNER HOUSEHOLDS

For the following discussion, several first priority categories are accumulated, as the analysis and public comments relate to one or more of the assistance segments within these categories of very low, low, and moderate renter and homeowner households. As well, the market and inventory conditions, and needs assessments, are common to the in-need groups. However, small related and "all other" households are exempted from this discussion, as these in-needs groups have been assigned a priority #2 rating and are discussed separately later in this report.

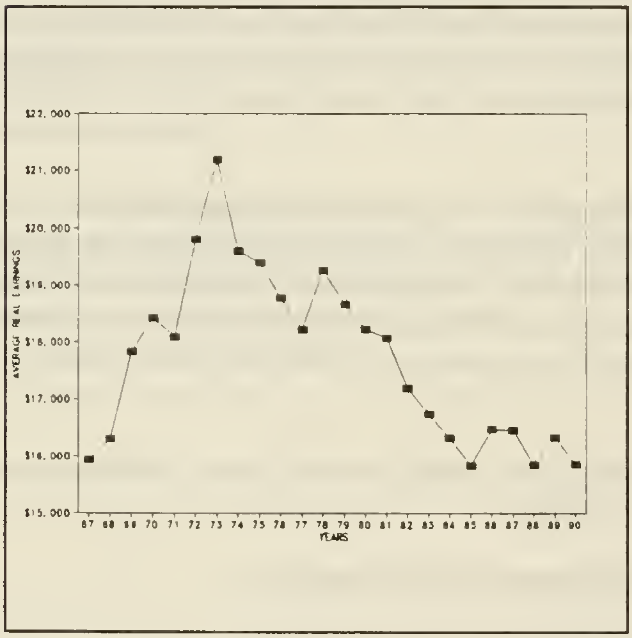
i. ANALYSIS OF PRIORITY RANK #1 -- RENTER AND HOMEOWNER HOUSEHOLDS

ECONOMIC HARDSHIP

Many of Montana's households have been suffering under econoimc hardship. The basic economy has historically been dependent upon a few resource-based industries. These are agriculture, mining, and manufacturing processes such as lumber and wood products, and the milling of minerals. Even though tourism is considered a solid basic sector with employment benefits, the rate of pay in this industry has typically been quite low.

The status of the State's economy, then, is dependent upon the health and viability of resource-based industries. Unfortunately, these industries are suffering from stagnant conditions or are declining. As Diagram 2.1, below, demonstrates, the average rate of pay in all of Montana's industries has been declining steadily since the early 1970s.

DIAGRAM 2.1
AVERAGE EARNINGS IN MONTANA
1987 DOLLARS



For example, forest management practices are under review, and anticipated harvests from federal timber lands are expected to decline. University of Montana studies have forecasted declines as large as 50 percent in northwestern Montana's lumber and

TABLE 2.1
ECONOMIC BACKGROUND
ANNUAL AVG. UNEMPLOYMENT RATES

AREA NAME	1990	1991	1992
Beaverhead County	4.3	5.8	5.8
Big Horn County	12.9	12.3	15.8
Blaine County	8.2	8.7	8.1
Broadwater County	6.0	8.0	7.3
Carbon County	4.3	6.5	5.4
Carter County	2.8	3.3	2.4
Cascade County	5.0	5.8	6.1
Chouteau County	3.2	4.1	3.4
Custer County	4.2	4.9	4.8
Daniels County	3.4	3.1	2.8
Dawson County	4.0	4.4	4.2
Deer Lodge County	8.1	9.4	9.0
Fallon County	3.1	4.8	4.9
Fergus County	6.2	8.8	7.4
Flathead County	7.5	9.3	8.7
Gallatin County	3.3	3.9	3.9
Garfield County	2.6	2.4	3.3
Glacier County	11.9	11.8	14.6
Golden Valley County	4.0	13.9	13.0
Granite County	7.7	7.9	7.8
Hill County	6.0	7.5	7.3
Jefferson County	3.8	5.0	4.3
Judith Basin County	4.1	4.9	6.0
Lake County	8.1	9.2	9.5
Lewis and Clark County	4.5	5.6	5.4
Liberty County	2.7	2.8	4.2
Lincoln County	11.5	15.3	13.3
Madison County	4.3	4.4	4.5
McCone County	3.7	5.1	5.5
Meagher County	3.6	5.4	8.3
Mineral County	10.1	12.3	12.3
Missoula County	4.9	6.5	5.8
Musselshell County	7.9	9.6	9.3
Park County	7.5	9.3	8.4
Petroleum County	3.8	7.4	9.1
Phillips County	4.4	4.8	5.7
Pondera County	4.5	5.1	6.3
Powder River County	2.2	4.1	3.9
Powell County	5.2	7.5	6.8
Prairie County	4.9	4.3	5.9
Ravalli County	8.3	10.4	9.5
Richland County	6.1	8.0	8.3
Roosevelt County	9.8	10.9	11.4
Rosebud County	7.0	7.6	8.2
Sanders County	12.7	17.5	15.5
Sheridan County	3.0	2.9	3.0
Silver Bow County	7.4	9.0	8.9
Stillwater County	3.5	7.9	6.1
Sweet Grass County	3.0	5.0	3.9
Teton County	3.8	4.7	3.6
Toole County	3.9	5.8	5.4
Treasure County	2.7	3.6	6.3
Valley County	4.7	6.0	6.2
Wheatland County	5.3	7.2	6.5
Wibaux County	4.3	8.9	8.8
Yellowstone County	4.8	5.3	5.4
Montana	5.8	6.9	6.7

wood products employment over the next ten years. Employment and earnings derived from agriculture remain speculative, at best. The mining industries are moving much further toward mechanization; and older existing facilities are closing in the face of increasing environmental constraints. These conditions imply an increasing degree of economic hardship for many Montana citizens.

On top of this complication, statewide unemployment rates have been rising over the last few years. Between 1990 and 1991, Montana's unemployment rate rose from 5.8 to 6.9 percent. Unemployment pressures have eased some, to 6.7 percent in 1992, but increasing unemployment worries still exist. Table 2.1, at right on the previous page, presents the unemployment rates by county and the State as a whole over the last three years. There are several areas that are sustaining very high unemployment rates, while others are reporting much lower rates. For example, Big Horn County indicates the highest unemployment rate, 15.8 percent and Carter County the lowest, with 2.4 percent. Uneven economic opportunities exist within the State.

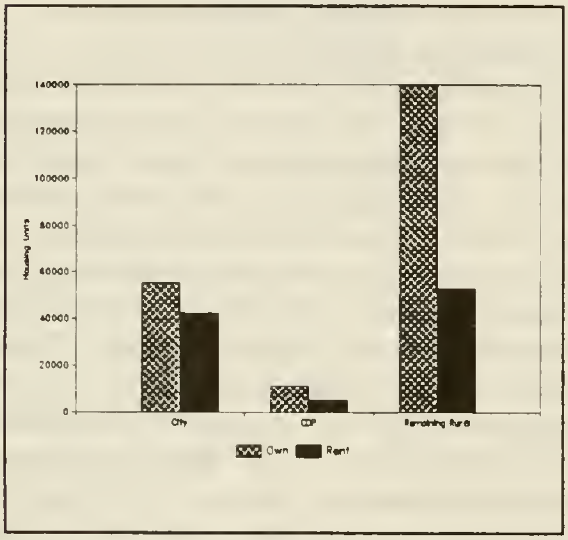
Within Montana, per capita income varies widely, as evidenced by Big Horn County's low of $7,148 and Helena's high of $13,256. The statewide average is only $11,213. This implies that significant variation may occur among households within the State. A more accurate way of inspecting the relative income between areas is to rank the percent of total household incomes below a particular threshold. This is better than comparing just per capita income as it accounts for households with additional wage earners. Data representing the percent of low income households in each area were computed and ranked. Low income concentrations are defined as those areas having a greater percentage of households below Montana's statewide low income threshold, 80 percent of the State median family income or $22,435. Census income data is reported by category; $22,500 is used to approximate the low income threshold. Table 2.2, on the following page, presents all areas ranked by percent. Those that fall within the low income criteria are listed above the dotted line, starting at Park County. In general, there appear to be very large blocks of the population in low-income households. In fact, Wheatland County has the highest percentage of households in the low income category, with over 65 percent of the households. Only one area has less than 25 percent of its households in the low income category, Helena Valley Northeast CDP. Given these facts, large sections of Montana can be considered as low-income areas.

The largest segment of the population is the very young, from 0 to 18 years of age. This group is 29.3 percent of the total. However, the population of Montana is older than the nation as a whole; the 1990 median age in Montana is 33.8 while the nation's is 32.9. The elderly (those 60 years of age and older) also have a significant representation in the age distribution of Montana with 17.6 percent.

Just over 67 percent of Montana's occupied housing units are occupied by their owner (owner-occupied); the remaining 33 percent are renter-occupied. The rate of home ownership is much higher in the rural areas of the State (72.6 percent) than in the major cities (only 59.8 percent). As is true of the nation as a whole, the largest single group of homeowners in

Montana is the elderly. Of all the owner-occupied units in Montana, 26.4 percent are occupied by those 65 years of age and older. This is true of both the major cities and rural Montana. Overall, the 35-44 age group has the second highest rate of home ownership in both rural areas and the major cities. The total number of housing units was 361,155 in the 1990 census, of which over 15 percent were vacant. Diagram 2.2, below, displays the number of households, by ownership status, in each of the three geographic area designations addressed herein.

DIAGRAM 2.2
RENTERS AND OWNERS
BY GEOGRAPHIC AREA



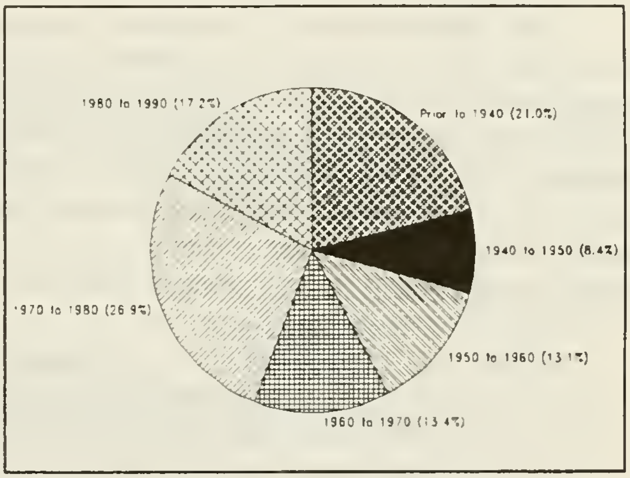
The people most likely to rent in Montana, in both rural areas and the major cities, are those in the 25-35 year old age group. Given that people in this age category are more likely to live in the cities and occupy an individual unit, and further, that home ownership is less affordable in the major cities, there is an indication of a need for assistance to young adults who are first-time buyers in the acquisition of homes. Those least likely to rent are those in the age group 45-54.

TABLE 2.2
LOW INCOME CONCENTRATION

AREA NAME	LOW Y HH	% LOW Y
Wheatland County	565	65.93%
Prairie County	387	64.98%
Musselshell County	1,083	64.93%
Carter County	381	64.91%
Garfield County	171	63.86%
Sanders County	2,128	62.13%
Blaine County	1,464	61.38%
Evergreen CDP	912	60.80%
Golden Valley County	182	60.19%
Meagher County	420	59.99%
Treasure County	202	59.72%
Big Horn County	1,986	59.50%
Roosevelt County	2,143	59.34%
Granite County	814	59.31%
Glacier County	2,203	59.18%
Bonner West Riverside CDP	377	57.85%
Carbon County	1,892	57.18%
Bozeman city	4,859	56.84%
Petroleum County	120	56.60%
Lake County	4,431	56.15%
Wibaux County	263	55.88%
Sheridan County	1,059	55.81%
Kalispell city	2,927	55.71%
McCone County	475	55.58%
Deer Lodge County	2,255	55.43%
Sweet Grass County	703	55.01%
Broadwater County	720	55.00%
Mineral County	713	54.39%
Lincoln County	3,861	54.36%
Ravalli County	5,188	53.80%
Beaverhead County	1,897	53.80%
Daniels County	483	53.47%
Fergus County	2,470	53.30%
Missoula city	8,418	53.02%
Custer County	2,435	52.85%
Powell County	1,177	52.43%
Silver Bow County	7,230	52.30%
Valley County	1,888	51.83%
Teton County	1,188	51.04%
Malmstrom AFB CDP	733	50.87%
Madison County	1,200	50.70%
Phillips County	982	50.54%
Powder River County	407	50.43%
Chouteau County	1,058	50.38%
Judith Basin County	457	49.84%
Orchard Homes CDP	2,084	49.63%
Park County	2,783	48.44%
Great Falls city	11,034	48.72%
Stillwater County	1,254	48.82%
Pondera County	1,047	48.58%
Fallon County	587	48.48%
Dawson County	1,790	48.13%
Richland County	1,814	47.74%
Lewis and Clark County	1,327	48.81%
Helena West Side CDP	351	45.82%
Liberty County	381	45.07%
Toole County	853	44.78%
Billings city	14,790	44.44%
Hill County	2,803	43.72%
Helena city	4,537	43.54%
Flathead County	8,884	42.85%
Helena Valley Southeast CDP	857	41.71%
Gallatin County	4,313	41.54%
Cascade County	2,353	41.44%
Yellowstone County	4,232	41.41%
Rosebud County	1,431	41.17%
Lockwood CDP	557	40.54%
Lolo CDP	354	38.27%
Missoula County	2,777	37.25%
Jefferson County	1,022	38.07%
Helena Valley West Central CDP	758	33.91%
Helena Valley Northwest CDP	107	28.23%
Sun Prairie CDP	121	27.50%
Helena Valley Northeast CDP	92	17.13%
Montana	150,582	48.08%

According to the 1990 Census, nearly 27 percent of Montana's dwelling units were constructed between 1970 and 1980. Another 21 percent were constructed prior to 1940. Homes built before 1940 have some potential for structural problems relating to inadequate foundations and floor supports, poor plumbing, outdated electrical wiring, and substandard roofs. Because of this, pre-1940 housing tends to need moderate rehabilitation. Other prospective environmental hazards exist, which will be discussed shortly. Diagram 2.3 displays a pie chart representing the percent of occupied housing units in each age category. Large discrepancies underlay the statewide average in quality of housing construction. As noted earlier, some areas of the State have lost population. This implies a shortfall in housing construction and increases the potential for a more hazardous housing stock.

DIAGRAM 2.3
AGE OF OCCUPIED HOUSING UNITS



EXCESSIVE COST BURDEN

In assessing whether or not there is affordable housing available in Montana, both income levels and housing costs have been inspected.[28] A monthly housing cost in excess of 30 percent of income constitutes a cost burden. Approximately 18.6 percent of Montana households (59,217) earn less than $10,000 annually, and 32.1 percent (98,548) earn less than $15,000. Therefore, a monthly housing cost in excess of $250 represents a cost burden to nearly one-fifth of Montana households, and payments over $375 would be a burden to nearly one-third. The following analysis examines the affordability of housing to renters by looking at the percentage of monthly income that would be required to make average rent and utility payments. Affordability for potential homeowners is examined by looking at the cash outlay and annual income required if monthly housing costs are to equal 30 percent of income, for average and low priced homes. These calculations are intended to indicate the typical costs. Costs and income requirements are shown for both conventional financing and Federal Housing Administration (FHA) or Farm Home Administration (FmHA) financing. These cost burdens and income requirements will then be compared to census information to see how many households in Montana can afford the average home.

Rent burden calculations were made by using 1990 Census figures for contract rent. For home buyers, the calculations for monthly payments and cash outlay at closing were made by using 1990 Census figures for the average asking prices of vacant for-sale housing units and applying formulas used by the banking industry, the FmHA, and the FHA. For conventional

[28] Income and housing cost data taken from the 1990 Census -- U.S. Department of Commerce, Bureau of the Census.

loans, cash outlay at closing includes a 10 percent down payment plus typical closing costs.[29] The Farm Home Administration (who makes loans in rural areas with populations of less than 10,000 people) estimates that there will be no cash outlay of closing down payment. They assume only typical Farm Home closing costs.[30] The FHA cash outlay at closing includes a 3 percent down payment plus 43 percent of the closing costs. The other 57 percent of the closing costs and the required mortgage insurance costs are added to the loan amount.[31] The monthly payments for all of the loans are based on a 30-year, 9 percent fixed-rate loan plus taxes and insurance. Average utility costs of $101 per month for a two-bedroom, multifamily unit with electric heat have been added to rent cost to calculate cost burden for rental units. Average utility costs of $125 for a single-family, three-bedroom home with gas heat have been added to the monthly mortgage payments to calculate income requirements for homeowners.[32]

Low-income renters in Montana's rural areas are less likely to experience severe cost burden than low-income renters in Montana's major cities. Households earning $10,000 or less annually would be paying at least 52 percent of their income to occupy the average housing unit in the major cities. This constitutes a burden far in excess of the 30 percent standard. Similarly, in the census designated places, a household with a $10,000 annual income would have to use 55 percent of their income to rent the average housing unit. The situation for that income group is of particular concern in the Sun Prairie CDP, where the renter cost burden is highest, at 65 percent for the average rental housing unit.

TABLE 2.3
AFFORDABILITY OF AVERAGE RENTAL UNITS

AREA	MONTHLY RENT $	PERCENT OF INCOME $10,000	PERCENT OF INCOME $15,000
Sun Prairie CDP Average	543	65%	43%
City Average	436	52%	35%
CDP Average	461	55%	37%
Rural Average	331	40%	26%

Table 2.3, above, illustrates the cost burden of average priced rental units in cities, CDPs, and the remaining rural areas. As that table shows, average rent in the rural areas is lower than in urban areas, but it still presents a cost burden of 40 percent to a householder with $10,000 in income. Even for a household with a $15,000 annual income, the cost burden is over 30 percent for all but the rural areas. Although the cost burden is not severe for that group, the important questions for those rural areas become if there are enough rental units

[29]Typical closing costs estimated with the assistance of Colleen Cebula, First Interstate Bank of Missoula.

[30]Information on Farm Home Administration loans and typical closing costs provided by Peter Halvorson, Farm Home Administration Office, Hillsboro, Oregon; and Nikki Stahley, Farm Home Administration Office, Billings, Montana.

[31]FHA loan information and typical closing cost estimates provided by Jeff McKinnen, First Interstate Bank, Portland, Oregon; and Charlene of American Federal Savings & Loan, Butte, Montana.

[32]Section 8 Utility Allowances, revised October 1992.

available, if they have adequate kitchen and plumbing facilities, and whether or not they are maintained at or above minimum health and safety standards.

While the above analysis focused on whether low-income households could afford average rents, another question should also be examined. What portion of the population cannot afford the "average rent"?[33] Table 2.4, below, illustrates average rents, the income needed to pay that average, and the percent of households with an income below $15,000. As this table demonstrates, 26 to 33 percent of the population does not have the income to afford the average rent. Furthermore, there is wide disparity between urban and rural costs and cost burdens. as [resented in Table 2.4. This data portrays the number of households in each area that fall within a particular rent level category.

TABLE 2.4
INCOME NEEDED TO PAY THE AVERAGE RENT

AREA	MONTHLY RENT	INCOME NEEDED	PERCENT OF HH WITH > $15,000 INCOME
City Average	436	$17,440	33%
CDP Average	461	$18,440	26%
Rural Average	331	$13,240	32%

What holds true for renters is generally true for the first time-home buyer in Montana. The cost of buying a home in rural Montana is less than it is in the cities and CDPs, although there is some disparity among rural areas in the average values of vacant, for sale homes. Table 2.5, below, shows the average values for homes in cities, census designated places, the remaining rural areas, and in Gallatin County which had the highest average home value in Montana (according to the 1990 Census). Those average values are then used to show the costs to first-time home buyers who are able to use conventional financing. Recognizing that many

TABLE 2.5
INCOME NEEDED TO PAY THE MONTHLY HOUSE PAYMENT
ASSUMES 9 PERCENT FIXED RATE MORTGAGE

AREA	PURCHASE PRICE	DOWN PAYMENT	MONTHLY PAYMENT	MINIMUM INCOME NEEDED	% HH WITH INCOME > $25,000
Gallatin County	$82,800	$11,150	$885	$35,400	
City Average	$67,700	$8,290	$750	$30,000	53.3%
CDP Average	$60,600	$8,420	$690	$27,600	50.0%
Rural Average	$49,000	$6,830	$580	$23,200	54.5
Farm Home Financing	$25,000	$1,010	$380	$15,200	
	$40,000	$1,170	$520	$20,800	
	$50,000	$1,310	$615	$24,800	
FHA Financing	$40,000	$1,900	$540	$21,600	
	$50,000	$2,300	$640	$25,600	
	$60,000	$2,700	$740	$29,600	

[33]Average rent computed from the number of rental units in each rent cost category and the midpoint of the rent category, as reported in the 1990 Census, plus utility costs used in the Section 8 Housing Utility Allowance Program (revised October 1992).

first-time buyers cannot come up with the cash that is required at closing to utilize conventional financing, Table 2.5 gives some examples of the cash and income requirements for both Farm Home and FHA financing.

In the rural regions of eastern and north central Montana, where the vacancy rates are high, the average asking price for a vacant, for sale home was under $26,000 at the time of the 1990 Census.[34] At this rate, a household income of approximately $15,200 would make a home in those areas affordable if the potential home buyer is able to take advantage of Farm Home financing. In those rural areas, rather than income being a limiting factor, the condition of the $26,000 home and whether it would qualify for any type of financing appears to be a crucial limitation.

In the rural regions of south central and southwestern Montana, which have relatively high vacancy rates, an average home was reported to be valued at about $50,000 in 1990. An annual household income of approximately $24,000 to $25,600 (depending on the type of financing available) would generally make a home affordable in these regions. The average asking price of a vacant, for sale home in rural western Montana is generally higher than other rural areas of the State. In those higher-cost areas, the asking prices were $60,000 or more, requiring a minimum household income of approximately $27,000 to $30,000, depending on the type of financing available.

In the CDPs, the average home value was reported to be approximately $60,800 in the 1990 census. With conventional financing, the minimum income required to buy that $60,800 home is $27,600. Average home value in the major cities is approximately $67,700, requiring a minimum annual income of approximately $30,000 if using conventional financing. The major cities have comparatively low vacancy rates ranging from 4.0 percent to 10.2 percent as opposed to the rural range of 17.3 percent to 22 percent. This indicates a higher demand for housing in the cities and supports the higher cost of housing in those areas.

It is important to note that while mortgage rates appear affordable to many, the ability to save for a down payment can be a prohibitive factor, especially for conventional financing. While the down payment requirements are lower for FHA financing, the monthly payments and minimum income requirements are higher due to the larger loan amounts. Also important to note is that the banking industry calculations for minimum income requirements are based on a standard that the total of the principle, interest, property tax, and insurance payments can not exceed 28 percent of gross income. It is also a standard requirement that total monthly obligations (including automobile and credit card payments) not exceed 36 percent of gross income.[35] For those households whose other monthly obligations exceed 8 percent of gross income, their minimum income required to purchase a home will be higher than indicated in Table 2.5.

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[34] The term "asking price" and "home value" are synonymous in this discussion.

[35] Colleen Cebula, First Interstate Bank of Missoula.

Table 2.5 also lists that portion of total households which earn less than $25,000 annually. Examining the incomes required if housing costs are not to exceed 30 percent of income, we see that purchasing a home through conventional financing is out of the reach of over half of the people in the cities and CDPs. Purchasing a low-priced home becomes more affordable through the use of Farm Home or FHA financing and in the rural areas of the State. However, the question again becomes one of whether or not these low-priced (and typically rural) homes are in a condition that will allow them to qualify for financing.

Therefore, three housing availability issues are of concern for Montana. The first is the availability of rental units, especially low-cost units. The second issue is the availability of homes which meet the criteria for loan assistance and mortgage insurance. The third availability issue is the number of affordable.homes on the market for low- and moderate-income people.

In regard to the first issue, there were approximately 34,601 low-rent units (units which cost no more than $250 per month) in Montana at the time of the 1990 Census. Approximately 11,389 low-rent units are federally assisted, and the waiting list for publicly assisted units numbers 6,285. The supply of low-rent and/or assisted units does not meet the demand. There is a great disparity between the number of households earning less than $10,000 and the actual number of low-rent units.

The second issue is the availability of homes which meet the criteria for loan assistance and mortgage insurance. It is true that the housing market is tight in some areas of the State, particularly in the major cities. However, in the rural areas of the State where vacancy rates are higher (particularly in the eastern region), the issue becomes more complicated by one of housing condition. In many instances, the poor condition of the vacant homes preclude the use of federal mortgage insurance programs. Without these programs, homes are not easily financed and are consequently out of reach for many potential home buyers. The result is a diminished supply of affordable homes.

The third availability issue is the shortage of affordable homes on the market for low- and moderate-income people. This is of particular concern in the major western Montana cities, which tend to have the lowest vacancy rates in the State and the highest home values (according to the 1990 Census). Where the market is tight and prices are escalating, it is becoming increasingly difficult for low- and middle-income people to purchase homes.

To get an overall picture of the availability of housing units, Table 2.6, on the following page combines data on both rental and owner-occupied housing. This table uses 1990 Census information on rental units by price range and value of owner-occupied housing units. The table adds the number of rental units available for under $300 and homes valued at less than $35,000. This number of housing units is then compared to the number of households earning less than $15,000. The lack of available housing can be seen in the last column. Overall, these numbers point to a large gap between the demand for housing and the supply of affordable housing, perhaps as high as 25,000 units.

TABLE 2.6
AVAILABILITY OF RENTAL UNITS AND FOR-PURCHASE HOMES
COMPARED TO NEED

AREA	NUMBER OF RENTAL UNITS > $300	NUMBER OF HOMES > $36,000	TOTAL UNITS	HH WITH INCOMES > $15,000	NET SHORTAGE
City Average	17,878	3,611	21 489	32,047	10,568
CDP Average	1,736	414	2,149	4 250	2 101
Rural Average	28,117	21,996	50,113	62 251	12,138
TOTAL	47,730	26,021	66 508	98,548	24 797

NEEDS ANALYSIS

The various surveys addressing several dimensions of housing in the State also uncovered additional specific needs. Each are reviewed below.

SURVEY OF MONTANA'S HOUSING NEEDS

The *Survey of Montana's Housing Needs* was designed to collect specific data from knowledgeable housing specialists throughout the State, such as vacancy rates, local needs, and opinions related to impediments and barriers to affordable housing in Montana. Most of the quantitative questions requested ranking the degree of the issue (problem or need). There also was a series of questions related to the inventory of homeless facilities and a set of open-ended questions soliciting general responses. All are reviewed below (except the inventory data presented earlier).

TABLE 2.7
SURVEY OF MONTANA'S HOUSING NEEDS
RESPONDENTS, BY OCCUPATION

Occupation	Number
Public Housing Official	6
Housing Program Manager	14
Banking Official	40
Real Estate	12
Housing Developer	2
Land Developer	0
Planning Official	13
Interest Group	6
Elected Public Official	25
Appointed Public Official	11
Disabled/Aging Care Manager	2
Owner of Rental Units	2
Contractor/Engineer	5
Other Business Owner	4
Other	27
TOTAL	169

The Housing Needs survey solicited input from a very broad cross-section of Montanans involved in housing issues, whether construction, sales, lending, program administration, planning, or public policy. It also included responses from State and local agencies associated with health, environmental services, disability, public instruction, Indian Affairs, councils on aging, low income coalition, and others. Table 2.27 above, presents a summary of the number of respondents by occupation.

TABLE 2.8
SURVEY OF MONTANA'S HOUSING NEEDS
DEGREE OF HOUSING PROBLEMS
BY TENURE

		NUMBER OF RESPONDENTS						
		AVAILABILITY						
	TOTAL RESPONDENTS	PLENTIFUL						SHORT SUPPLY
		☐	☐	☐	☐	☐	☐	☐
RENTAL HOUSING	170	1	1	1	6	11	38	112
OWNER-OCCUPIED	167	2	10	16	33	27	50	29
		AFFORDABILITY						
		UNDERPRICED						VERY EXPENSIVE
		☐	☐	☐	☐	☐	☐	☐
RENTAL HOUSING	169	1	8	20	52	24	32	32
OWNER-OCCUPIED	174	0	3	20	39	36	48	28
		SUITABILITY						
		VERY SUITABLE						NOT SUITABLE
		☐	☐	☐	☐	☐	☐	☐
RENTAL HOUSING	168	0	10	12	41	52	38	15
OWNER-OCCUPIED	166	1	17	25	44	35	34	10
		ACCESSIBILITY						
		VERY ACCESSIBLE						NOT ACCESSIBLE
		☐	☐	☐	☐	☐	☐	☐
RENTAL HOUSING	168	1	0	4	25	33	69	36
OWNER-OCCUPIED	165	0	1	9	22	44	61	28

One of the first issues requested related to type of general housing problem. In earlier CHAS documents, Montana identified four basic problem areas related to housing. These are availability, affordability, accessibility, and suitability. Respondents were requested to categorize the severity of each problem as they relate to rental housing and owner-occupied housing. Table 2.8, above, presents the results. Respondents indicated that rental housing is moderately expensive to very expensive, is somewhat unsuitable to not suitable, and generally not very accessible to the disabled. Most interestingly, nearly 90 percent of respondents (150 of 170) indicated either 'very short' or 'extreme shortage' for rental housing. This implies that Montana lacks an adequate supply of rental housing at any price and, therefore, has critical shortages of affordably priced rental housing. While not as severe, owner-occupied housing is also in short supply, with prices generally too high to be classed as affordable.

TABLE 2.9
SURVEY OF MONTANA'S HOUSING NEEDS
CHANGE IN POPULATION BY GEOGRAPHIC AREA

	NUMBER OF RESPONDENTS					Total
	NE	SE	C	NW	SW	Respondents
YES	4	11	17	28	29	89
NO	13	6	19	10	18	66
TOTAL	17	17	36	38	47	155
(IF YES, THEN % CHANGE) AVG % CHANGE	7.5%	7%	11.13%	13.12%	10.93%	

The reasons for these problems are many, and often these issues are made more critical by sudden changes in the level of population moving into or out of a particular region. Surveyed individuals were asked as to what degree their local population has increased since the 1990 Census. Table 2.9, above, presents respondent opinions related to the percent change in the level of local population since the 1990 Census was taken. While a majority of respondents saw not change in population in the northeast section of the State, others sensed significant changes in population, such as the northwest and southwest portions of the State.

Respondents were also asked about the impact on cost of housing of building and energy efficiency codes, and zoning regulations. It is the opinion of the group that these types of public policy issues do not appreciably affect the cost of housing. The vast majority noted that these had no effect on the cost of housing, one indicated that these types of actions decrease the cost, and 10 to 13 respondents noted that these actions can increase the cost. One can deduce that these policy increase the initial cost of housing modestly. Table 2.10, below, presents this data. As an anecdote, current Least Cost Planning arenas, related to electric and gas utility planning and resource acquisition activities, generally have recognized that by increasing the energy efficiency of housing, additional up-front costs are placed on the structure. However, these costs typically pay for themselves over the life of the home and "energy efficiency measure."

TABLE 2.10
SURVEY OF MONTANA'S HOUSING NEEDS
EFFECTS ON COST OF HOUSING BY PUBLIC AND PRIVATE POLICY ISSUES

	NUMBER OF RESPONDENTS							Total
Factor	Decrease Cost			No Effect			Increase Cost	Respondents
	☐	☐	☐	☐	☐	☐	☐	
Building Codes	1	1	11	72	44	19	13	161
Building Energy Efficiency Codes	1	6	12	67	49	13	11	159
Zoning Regulations	2	2	4	80	37	21	10	156

The question related to the impact on housing of building and zoning codes was approached from an alternate perspective. Respondents were asked if these types of public policy issu impact the *availability* of housing in their local jurisdictions. Table 2.11, below, presents th findings of this question, by geographic region. Note that nearly one third of the respondents do feel that these public policies restrict availability of housing. In particular, the

northwest region respondents feel much more strongly that building and zoning regulations tend to impact the availability of housing.

TABLE 2.11
SURVEY OF MONTANA'S HOUSING NEED
DO BUILDING AND ZONING REGULATIONS EFFECT HOUSING AVAILABILITY, BY GEOGRAPHIC AREA

	NUMBER OF RESPONDENTS					Total
	NE	SE	C	NW	SW	Respondents
YES	2	7	10	17	17	53
NO	15	12	28	24	32	111
Total Respondents	17	19	38	41	49	164

Respondents were also asked to review and rate the degree of need by various types of in-need groups. The results of this question indicate that, given the incidence of certain types of in-need groups, some needs appear more critical in one area than in another. In Table 2.12, above, the degree of need for the elderly and mentally or physically disabled is rated more urgent that those of the AIDS/HIV infected, the alcohol or drug addicted, or specific racial minorities. There appeared no clear opinion emerging from evaluation of need of housing for the homeless. One must emphasize that, given the wide disparity of need and economic conditions around the State, one local jurisdiction may have a severe need that is inconsequential in another.

TABLE 2.12
SURVEY OF MONTANA'S HOUSING NEEDS
DEGREE OF NEED BY IN-NEED CLASSIFICATION

	NUMBER OF RESPONDENTS							
Group	Severe Need			Some Need			No Need	Total Respondents
	□	□	□	□	□	□	□	
Elderly	11	32	52	45	15	9	1	165
Mentally or Physically Disabled	27	33	35	34	25	12	0	166
Homeless	21	18	19	25	25	41	14	163
AIDS/HIV Infected	6	8	12	23	11	44	45	149
Alcohol or Drug Addicted	9	14	15	33	29	42	17	159
Racial Minority	11	3	13	38	31	38	29	163

Surveyed individuals were also asked about the degree of need for certain types of rental assistance programs. Besides details on homeowner or first-time buyer issues, review of the data provides insights into renter assistance programs. Table 2.13, on the following page, presents an evaluation of the degree of need, by type of program.

As seen in the above table, all types of rental assistance are needed, as nearly all are considered in nearly extreme or extreme states of need. This question confirms the notion

TABLE 2.13
SURVEY OF MONTANA'S HOUSING NEEDS
DEGREE OF NEED FOR RENTAL PROGRAMS

	NUMBER OF RESPONDENTS							Total
Type of Assistance	Extreme Need			Some Need			No Need	Respondents
	□	□	□	□	□	□	□	
Rental Assistance	35	40	52	17	15	7	1	167
Production of New Rental Units	57	59	26	8	9	7	1	167
Rehabilitation of Old Rental Units	41	38	40	22	17	7	0	165
Acquisition of Existing Rental Units	27	32	32	34	15	11	4	155

TABLE 2.14
SURVEY OF MONTANA'S HOUSING NEEDS
REPORTED RENTAL VACANCY RATE BY GEOGRAPHIC AREA

	NUMBER OF RESPONDENTS					Total
Vacancy Rate	NE	SE	C	NW	SW	Respondents
10 +	1	0	0	0	1	2
9	0	0	1	0	0	1
8	1	0	0	0	2	3
7	0	0	0	0	1	1
6	0	0	0	1	0	1
5	4	1	5	3	6	19
4	1	1	2	2	2	8
3	2	2	4	1	8	17
2	0	3	8	3	9	23
1	6	9	17	28	19	79
Total Respondents	15	16	37	38	48	154

identified above, as it relates to the extreme shortage of rental housing. In further quantifying the degree of need for rental housing, Table 2.14, above, presents the reported vacancy rates in rental housing, by general geographic area. Note that as one moves from east to west, the incidence of rental vacancies declines.

With increases in population, declines in rental vacancy rates, and increasing needs for rental programs indicated, one may reasonably assume that affordably priced rental property is disappearing. Table 2.15, on the following page, indicates what respondents feel has been the degree of change in rental prices since the 1990 Census was taken. But these statistics do not portray all the real problems being experienced in the State. Some areas have decaying housing stock, and declining rental prices. Table 2.16, also below, indicates the degree that rental prices have fallen. Note that there does appear a contrast between needs in the east and needs in the western portions of the State when viewing the data from this single perspective. None of the respondents indicated declines in the rental prices in the western portion of the State.

Table 2.17, also below, presents a summary of the reported rental prices, excluding local utility expenses, as reported by the respondents.

TABLE 2.15
SURVEY OF MONTANA'S HOUSING NEED
SUMMARY OF PERCENT INCREASE IN RENTAL PRICES BY GEOGRAPHIC AREA

	NUMBER OF RESPONDENTS					Total
Percent Change 1990-1993	NE	SE	C	NW	SW	Respondents
0-4	2	3	3	1	1	10
5-10	6	1	9	4	11	31
11-19	3	1	4	3	7	18
20-29	0	5	11	11	11	38
30-49	0	0	4	5	6	15
50-69	0	2	3	7	4	16
70 +	0	0	0	4	1	5
Total Respondents	11	12	34	35	41	133

TABLE 2.16
SURVEY OF MONTANA'S HOUSING NEEDS
PERCENT DECREASE IN RENTAL PRICES BY GEOGRAPHIC AREA

	NUMBER OF RESPONDENTS					Total
Percent Change 1990-1993	NE	SE	C	NW	SW	Respondents
0-4	2	2	1	0	0	5
5-10	1	1	0	0	0	2
11-19	0	0	0	0	0	0
20-29	0	0	0	0	0	0
30-49	0	0	0	0	0	0
50-69	0	0	0	0	0	0
70 +	0	0	0	0	0	0
Total Respondents	3	3	1	0	0	7

TABLE 2.17
SURVEY OF MONTANA'S HOUSING NEED
SIMPLE AVERAGE OF REPORTED RENTAL PRICES BY GEOGRAPHIC AREA
(excludes water, sewer, refuse, and energy expenses)

	NE	SE	C	NW	SW
Efficiency	137.22	197.5	201.30	248.52	218.60
1 Bedroom	181.92	231.67	246.03	298.43	263.94
2 Bedroom	229.64	276.33	322.46	392.43	349.92
3 Bedroom	288.33	386.54	412.00	487.10	430.36

For the survey of Montana's housing needs, respondents were asked to provide comment on several open-ended questions. The following presents a summary of these comments.

QUESTION: What opportunities for creating affordable housing in your area exist due to area market conditions?

RESPONSE:

Respondents indicated that few opportunities for creating affordable housing exist due to the area's market conditions. They felt that current county, city, state, and Federal organizations do not go far enough in alleviating the housing shortage in Montana. Further, the state needs to incorporate new programs and enhance existing ones to increase rental availability and home ownership. For example, a potential barrier to home ownership is the continuation in large single-family homes of elderly persons who may need assisted living conditions. By creating living space for elderly persons between total independence and nursing home care, many homes can become available as rentals or sale. Young families or larger families in need of more space would have the opportunity to buy or rent.

The high cost of land, lumber, construction make housing projects in Montana expensive. Most housing projects cost over $100,000. One response taken from Montana's Housing Survey defines "affordable housing" with the value of less than $100,000 for a home. Some Montanans feel that taxes and lack of investors in combination with limited lot availability contribute to Montana's housing problems. Taxes are reaching the point where some Montanans are having to move out of the area. Rental rates and resale values of a seller's market do not make it feasible to build or repair existing older housing. The banks are willing to help since interest rates are low, but financing and property taxes alone are a burden. One suggestion offered related to freezing property tax or incorporation of a tax incentive which would increase private investors' and developers' interest to build.

In regard to single-family homes, the short supply of rental and multifamily housing have driven some area home prices up by 20 percent. Responses from landlords show a mutual feeling that many rentals already exist, but that the law of the State gives tenants too much authority making it costly for the landlords to collect rent or evict tenants. Therefore, the landlords are unwilling to invest in construction of new units. Instead, rent prices are increased, making available homes unaffordable because of low income. Interest rates are low, but the down payment and closing cost are excessive burdens to those looking to buy.

QUESTION: What barriers for creating affordable housing in your area exist due to area market conditions?

RESPONSE:

Land cost, lack of sites in close proximity to services, shortage of rentals, and development costs in outlying areas all represent barriers to potential construction of affordable housing. Lots that are available are too expensive due to scarcity. The majority of people who can afford the high prices are the newcomers who are bringing in the high dollar equity from the West Coast sales, thus pushing up the demand for local home sales, while inflating home values. The demand for good home sites exceeds the supply.

The number of rental vacancies is low while the high average purchase price of homes forces people to remain in rentals. Housing costs exceed the income level of most local prospective buyers. The majority of homes being built seems to concentrate on more expensive, larger, single-family homes -- especially for newcomers who are willing to pay higher prices. The direction that developers are taking makes it difficult for the elderly, single parents, and low- to moderate-income persons to find affordable housing.

Those who are able to find a house to rent or buy are often unable to afford it. Buyers find it especially difficult to finance a home with all the bank and government regulations and compliance issues. The limitations and/or restrictions on home ownership programs do not

alleviate the high cost of housing for families on fixed incomes. The market condition and housing vacancy rates support persons who can afford to pay mortgage rates of $650 or more. Without a loan, prospective buyers are unable to fulfill down payment requirements.

QUESTION: What organization or institutional barriers to affordable housing exist in your area?

RESPONSE:

The way in which institutions and organizations handle and develop funding priorities or criteria for selecting housing projects do not expand safe, decent, and/or affordable housing where it is needed. City, county, state, and federal resources and programs are not adequate in response and identification of housing problems. Most state program organizations lack the interest that is needed to initiate a program to deal with the housing issues. Programs tend to focus on affordable housing as what 80 percent of the median income can afford rather than those on AFCD, etc. Local governments lack fiscal assistance and commitment. There are no zoning incentives, or an affordable housing requirement. City zoning regulations prohibit and discourage mobile homes, in-fill, and multifamily development. Funds are lacking in the area of rehabilitation of existing homes. Most rentals are old and landlords do not reinvest or maintain the interior or exterior of the structure. Taxes and sewer extension costs increase the building expenses outside city limits, where land is affordable and regulations are more "friendly."

QUESTION: What things might best facilitate solving your area's housing problems?

RESPONSE:

Any significant solution to facilitate the affordable housing crisis will involve all sectors of the State. Financing from local lenders is required for both the acquisition and development loans and the permanent financing for home buyers. The specific barriers such as the application process, financing, and zoning will need to be addressed both on the local and State levels. Local banks need to look beyond seeking just CRA credits. The development of affordable housing is a capital-intensive business, therefore, the issuers of debt must be willing participants. Affordable housing is the key element of local infrastructure. You must have affordable housing to maintain local jobs. The economy is unstable and jobs are important to investing in housing or upgrading existing homes.

Since home prices can't be lowered, a tax incentive or some sort of builder's incentive would boost the sales of family units within the HUD limit. To counterbalance, HUD should raise the area limit. County officials can promote and assist in allowing construction of rental units that rent for prices commensurate with local area residents' income. Rental and down payment assistance should be offered to facilitate low income residents and elderly adults with rental disabilities. A thorough assessment needs to be incorporated to address Montana's housing dilemmas in all categories.

QUESTION: Are there gaps in the delivery of programs and resources in your area?

RESPONSE:

Local governments are beginning to address the issue of efficiency of programs delivery and resources. HUD guarantees loans that can extend to $75,500, but the average home selling price is $114,603. Homes that are affordable ($70-$80,000) might not meet HUD guidelines. Non-profit organizations are over-extended in their ability to serve a population that is growing because of newcomers, and the private sector is slow to respond to the housing issues. Programs need to be administered with consistency and simplicity. The general public is not

aware of the programs available and those programs that are available lag behind in demand and are too complicated. Some individuals feel program requirements are too time consuming and difficult.

The efficiency of programs is not the only resource that is failing. Transitional housing of any kind is lacking for homeless, HIV infected, handicapped, and drug and alcohol addicts. Most federal programs make it too difficult to apply because of match fund requirements for the project, thus ignoring smaller communities with less money and a smaller population. Programs and resources need to be fully available to all in the State of Montana.

MONTANA HOUSING SURVEY

The *Montana Housing Survey* was designed to collect specific data from a randomly drawn sample of Montana citizens. The data related to housing conditions, inventory, cost, demand, needs for assistance, and suggestions as to preferred policy directions. Other household and structure data, not yet completely analyzed, will be included in future releases of the CHAS. Most quantitative questions related to ranking the degree of need, or problem, being experienced in the local community.

Since the survey was drawn on a random sample, statistically valid generalizations can be made about the opinions of Montana's citizens, as well as about housing throughout the State. The sample selected was approximately 3,600 households; and, to date, about 1150 respondents have returned their surveys.[36] The following tables present preliminary results of the findings of the survey; more formal conclusions will be delayed until all respondents have had an opportunity to respond to the instrument.

One of the first issues requested related to type of general housing problems. In earlier CHAS documents, and several times herein, Montana has identified four basic problem areas related to its housing stock: availability, affordability, suitability, and accessibility. Prospective respondents were asked to categorize the severity of each problem as it relates to rental housing and owner-occupied housing within their local communities.

Table 2.18, below, presents a tabulation of the responses. Note that, consistent with other needs assessment activities, rental housing is considered critically short, with nearly 70 percent of respondents indicating extreme positions.

[36] It is expected that, since follow-up letters were sent out near the end of September, 1993, additional instruments will be returned.

TABLE 2.18
RANDOM SAMPLE OF MONTANA CITIZENS
DEGREE OF HOUSING PROBLEMS
BY TENURE

	TOTAL RESPONDENTS	NUMBER OF RESPONDENTS						
		AVAILABILITY						
		PLENTIFUL						SHORT SUPPLY
		☐	☐	☐	☐	☐	☐	☐
RENTAL HOUSING	1,094	17	20	36	102	165	265	489
OWNER OCCUPIED	1,069	68	78	115	207	224	217	160
		AFFORDABILITY						
		UNDERPRICED						VERY EXPENSIVE
		☐	☐	☐	☐	☐	☐	☐
RENTAL HOUSING	1,082	14	16	94	292	230	208	228
OWNER OCCUPIED	1,066	9	23	85	284	239	249	177
		SUITABILITY						
		VERY SUITABLE						NOT SUITABLE
		☐	☐	☐	☐	☐	☐	☐
RENTAL HOUSING	1,074	21	48	116	281	275	215	118
OWNER OCCUPIED	1,046	43	124	233	368	164	76	38
		ACCESSIBILITY						
		VERY ACCESSIBLE						NOT ACCESSIBLE
		☐	☐	☐	☐	☐	☐	☐
RENTAL HOUSING	1,021	11	19	36	153	201	375	226
OWNER OCCUPIED	1,008	8	16	28	168	206	394	188

In regard to affordability, respondents indicated that rental and owner occupied housing was moderately to extremely expensive; respondents are heavily weighted toward "very expensive". In general, owner occupied homes fared better in suitability ratings, with a sharp peak of opinions at the middle. This implies a very large stock of homes that, while structurally habitable, appear to demand increased maintenance. Overall, Montana's stock of homes, both rental and owner occupied, have fairly significant accessibility problems.

The implications of these rates seem to indicate that Montana's need and want, more affordably prices homes, that the existing stock needs upgrading and rehabilitation, and that many more units need to be accessible to Montana's disabled.

The sample of randomly drawn citizens were also asked to rank the degree of need a set of in-need groups ten to have within their local communities. Table 2.19, below, presents the preliminary findings of this inquiry. All categories of in-need groups were classed a having at least some need; however, citizens leaned one way or another on each. In regard to the elderly, Montanans feel that there is some need, but respondents were weighted more toward higher levels of need, with over twice as many indicating severe need as no-need. While feelings related to the disabled are similar, fewer people had moderate feelings and grater numbers had extreme opinions related to no need and severe need. Here, opinion favors the higher level of need.

TABLE 2.19
RANDOM SAMPLE OF MONTANA CITIZENS
DEGREE OF NEED BY IN-NEED CLASSIFICATION

Group	NUMBER OF RESPONDENTS Severe Need			Some Need			No Need	Total Respondents
	□	□	□	□	□	□	□	
Elderly	100	143	233	266	159	107	43	1,051
Mentally or Physically Disabled	120	143	212	229	116	126	81	1,027
Homeless	176	118	136	157	104	181	163	1,035
AIDS/HIV Infected	68	50	67	165	88	200	324	962
Alcohol or Drug Addicted	65	73	118	223	121	185	201	986

Opinions related to homelessness are not uniform; there are large numbers of opinions at either extreme and in the center. The precise reason for this tri-modal response has not yet been evaluated, but there may be geographic preferences yet to uncover. In regard to the AIDS/HIV infected group, opinions were quite strong that there was little, if any, need. While this type of response could be interpreted as bias, one must recall that the AIDS/HIV infection problem is very small in Montana and is dwarfed by other more visible social demands. A similar, though less extreme position, is evident in regard to the alcohol and drug dependent.

Respondents were also asked to classify the degree of need for a variety of housing programs. As in all previous assessments, more low rent rental units and affordably prices single family homes are considered as most important. Low cost group care for the elderly also appears to be favored by a majority of citizens. Each of these are present in Table 2.20, below.

TABLE 2.20
RANDOM SAMPLE OF MONTANA CITIZENS
DEGREE OF NEED FOR HOUSING PROGRAMS

Type of Assistance	NUMBER OF RESPONDENTS Extreme Need			Some Need			No Need	Total Respondents
	□	□	□	□	□	□	□	
Repair and Maint Assistance	145	171	238	207	130	73	72	1,036
Rental Assistance	194	179	208	199	104	87	71	1,042
Construction of low-rent Rental Units	320	186	184	119	73	80	84	1,046
Rehabilitation of Rental Units	149	185	231	187	95	88	87	1,022
Rehabilitation of Single Family units	161	185	215	220	94	74	72	1,021
Low-rent Group care for Elderly	231	213	203	178	88	61	57	1,031
Assistance for mobile home owners	141	121	183	204	114	117	118	998
Construction of affordably single family units	322	237	156	136	72	61	58	1,042

Respondents were also asked to vote "yes" or "no" to whether building and zoning codes adversely affect the affordability of housing and the availability of housing in their local area. A majority indicated that neither type of public policy adversely affects housing. However, this piece of the survey needs to be evaluated on a substate basis, as in rapidly growing communities, such arguments surface very often; and very few counties have adopted zoning regulation.

Furthermore, many counties in Eastern Montana Have little or not subdivision review and inactive or non-existent planning boards and staff. In the larger western towns, this is not the case.

TABLE 2.21
RANDOM SAMPLE OF MONTANA CITIZENS
ADVERSE EFFECTS OF BUILDING AND ZONING REGULATIONS

	BUILDING CODES		ZONING REGS	
	YES	NO	YES	NO
AVAILABILITY	264	767	314	725
AFFORDABILITY	367	667	332	705

MONTANA HOUSING OPINION SURVEY

Recipients of this survey were selected from professions dealing with housing and land use planning issues. The purpose of the survey was to obtain opinions from all interest groups involved in housing regarding what factors foster, or can foster, affordable housing and what factors act as barriers. At least one person representing the local government in each municipality and county was sent a questionnaire. All planners and administrators of housing rehabilitation and housing authorities were sent a questionnaire. Where a municipality or county was not represented by a planner or housing administration the mayor of the municipality or chairman of the county commission was contacted. In addition, a sample of one out of six bankers and all realtors and homes builders on the Comprehensive Housing Affordability Strategy (CHAS) FY93 mailing list were contacted. A total of 320 people received the mailed surveys.

In addition to the Housing Opinion Survey, each local planner and housing administrator was mailed a second questionnaire intended to provide statistical information about the housing stock and the status of planning and land use regulation in the community. Ninety three surveys and 40 supplements were returned.

Survey recipients were asked their perception of the housing demand, supply, and the degree of interest by developers for providing housing for six categories of housing type in their community. Recipients were asked to rank the degree on a five point scale, with 1 the lowest and 5 the highest. Table 2.22, beow, presents the results of the survey.

TABLE 2.22
RATED HOUSING DEMAND, SUPPLY, AND DEVELOPER INTEREST

	Demand	Supply	Developer Interest
Low-cost housing to rent	4.3	1.4	1.8
Low-cost housing to buy	4.1	1.5	1.7
Avg-priced housing to rent	4.1	1.6	2.0
Avg-priced housing to buy	4.0	1.8	2.4
High-end housing to rent	2.8	2.0	1.9
High-end housing to buy	2.9	2.6	2.7

Table 2.22 shows that the demand for low-cost and average-priced housing, both for rent and for purchase is extremely high. The demand for high priced housing was considerably less. The supply of low-cost and average-priced housing was scarce on a statewide basis. Parallelling the lack of supply of housing is the respondents perception that developers have little interest in meeting the demand for low and moderate prices housing. The disparity between the demand for, and the supply of, low and moderate cost housing is dramatic.

Of all respondents, 64 percent reported both highest demand and lowest supply of affordable housing. There was little difference in demand between rental or owner housing, but the most severe disparity between demand and supply was in low cost rental housing. Of the respondents that reported d both high demand and low supply of low cost housing, 53 percent also reported that there is practically no interest by developers in producing low cost units. Only 23 percent of respondents reported equal supply and demand for high end housing, 16 percent for average price housing and 7 percent for low cost housing. Those reporting equal supply and demand for low and average cost housing were very small towns and communities the decline economies in eastern Montana. Over 55 percent of the respondents reported a rental vacancy rate near 0 percent. Those who reported available housing were, again, generally in eastern Montana and the Hi-line area.

Although there were exceptions, most respondents believe that high construction cost of housing, particularly the high cost of building materials, is a major factor that prevents low and moderate income families from obtaining affordable housing. High costs of land were cited frequently, especially by realtors and builders. Many respondents indicated that lack of employment or low paying jobs in the community were the reason for low incomes that are insufficient to purchase or rent good housing. Most feel that meeting down payments and closing costs is a barrier for low income people. Because of low incomes, people are not able to meet credit requirements or other qualifying criteria.

Most respondents in all the occupations feel that developers are not trying to build low cost housing because of current strong markets in higher-priced housing coupled with the fact that low income housing provides a poor return on investment. A fairly commonly expressed factor was higher-income non-resident home buyers' willingness and capacity to pay high prices or rents is driving up housing prices in many ares of Montana.

Respondents in all occupations believe that lack of available land is a problem, although there is a difference in perception why land is not available. Some cited that fact that a community is surrounded by public land, tribal land, or by private land where owners are unwilling to sell for housing development. Other cite the need to extend city utilities, or that zoning did not provide enough available land, especially for multi-family and mobile home development.

Solutions commonly indicated by all occupations include providing more affordable financing, including rent and home subsidies, raising the limits on US Farmers Home

Administration programs. Another fairly common solution is to provide assistance to builder and/or home buyers. Some respondents mentioned low cost loans, subsidies, or financing packages for developers of low cost housing.

STATE ADMINISTERED SECTION 8 HOUSING

An indirect measure of affordability and availability can be found by inspecting the Section 8 waiting lists. In Montana, the list was last prepared on September 30, 1993. Table 2.23, at right, presents the current number of households on the waiting list. This list, while last purged on July 7, 1993, is open at all times.

TABLE 2.23
STATE ADMINISTERED SECTION 8
WAITING LIST

Bedrooms	# on Waiting list
1 Bedroom	1,466
2 Bedrooms	2,831
3 Bedrooms	1,570
4 Bedrooms	178
5 Bedrooms	19
6 Bedrooms	3
TOTAL	6,067

Of those on the list, about 55 percent have one or more federal preferences. The complexion of the list is simply dependent upon those who apply. However, upcoming decline in the number of available certificates and vouchers is expected to alter the complexion of the waiting list. These new influences are anticipated to be from the fact that units are now linked to family self sufficiency and certificates and vouchers are now open to single person households. The latter is anticipated to swell the total waiting list to 10,000 households.

In FY 1992, the number of households on the waiting list amounted to 5,250. Therefore, between 1992 and 1993, there was a 16 percent increase in the waiting list. This implies that the housing market is not providing enough affordably priced rental property to adequately handle demand and household formation. This, in turn, leads to further pressure on rental prices.

Regrettably, as of October 1, 1993, Fair Market Rents (FMRs), the values upon which the level of assistance provided to renters under Section 8 Housing, were adjusted downward. Some of Montana's communities suffered significant declines nearly $100 a month or more. Montana fears that this may contribute to risks of homelessness for many people; and, the State intends to track Section 8 tenants to determine if this risk bears itself out.

ii. STRATEGY DEVELOPMENT - INVESTMENT PLAN

The State of Montana has a wide array of programs it intends to implement, deliver, or manage throughout the upcoming five-year period, as they pertain to securing affordable housing opportunities for renters and homeowners. These are briefly reviewed below. The program descriptions are followed by an overall listing by activity type.

HOME Investment Partnership Program

The HOME program, administered by the Housing Assistance Bureau of MDOC, was created under Title II (the Home Investment Partnerships Act) of the 1990 National Affordable Housing Act. The program expands the supply of decent, affordable housing for low- and very low-income families, emphasizing rental housing; to build state and local capacity to design and carry out affordable housing programs; to provide financial and technical assistance to participating jurisdictions, including model program development; and to strengthen partnerships among all levels of government and the private sector in the development of affordable housing.

The program does not require specific activities. However, certain, cost-effective activities are encouraged through lower local matching contribution requirements. Eligible activities include tenant-based rental assistance; assistance to first-time home buyers; property acquisition; new construction (justification required for neighborhood revitalization, special needs); reconstruction, relocation, or demolition; moderate or substantial rehabilitation; site improvements; and other activities related to development of non-luxury housing, such as transitional housing.

All states, metropolitan cities, urban counties and contiguous units of local government are eligible to apply for HOME funds. All HOME funds must assist families below 80 percent of the area median income. One percent of HOME funds is set aside for Indian tribes. Each jurisdiction must allocate 15 percent to programs owned, developed, or sponsored by CHDOs. HUD will issue successful applicants an account (Home Investment Trust Fund) with a line of credit to be used on the approved housing strategy. HOME funds are distributed on a competitive basis.

Contact person: Tim Burton, HOME Program Manager, Housing Assistance Bureau (406) 444-0094.

Community Development Block Grant Program

Montana administers non-entitlement CDBG funds through the Community Development Bureau of MDOC. The State makes grants only to units of general local government that carry out development activities. Montana has developed funding priorities and criteria for selecting projects which revolve around three major objectives: developing community development objectives; deciding how to distribute funds among communities in non-entitlement areas; and ensuring that recipient communities comply with all applicable state and federal laws and requirements. Montana's Community Development Block Grant Program is a federally-funded competitive grant program designed to help communities of less than 50,000 population with their greatest community development needs. Eligible applicants are limited to general purpose local governments. All projects must principally benefit low and moderate income persons.

The basic categories for local community development projects are: housing, public facilities, and economic development. The CDBG program provides grants to carry out a wide range of community development activities directed toward neighborhood revitalization,

economic development, and improved community facilities and services. Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new housing (when sponsored by a non-profit organization); provision of public facilities and improvements such as water and sewer, solid waste and senior citizen centers; and assistance to for-profit businesses to help with economic development activities that will results in the creation or retention of jobs.

Regarding the housing category, CDBG funds are most often used to make low or no interest loans to low and moderate income facilities to allow them to rehabilitate homes in substandard condition. CDBG funds can also be used to finance or subsidize the construction of new permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include the site improvements to publicly-owned land or land owned by a non-profit organization to be used or sold for new housing. Transitional housing is included. The clearance or acquisition of sites for use or resale for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities. A new eligible activity includes homebuyer assistance to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage amounts for low and moderate income homebuyers, financing the acquisition of housing that is occupied by the homebuyers, providing up to 50 percent of any down payment required, or paying reasonable closing costs.

The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income. Sixty percent of the funds must be used for activities which benefit low- and moderate-income persons.

Anticipated activities include:

- acquisition of property for public purposes;
- construction of public works projects;
- demolition;
- rehabilitation of public and private buildings;
- public services;
- planning activities;
- assistance to non-profits for community development activities;
- assistance to for-profit businesses for economic development activities;

The CDBG Program will deny some activities that are ineligible. These tend to be:

- government buildings;
- political activities;
- income payments;
- new housing and other facilities offering 24-hour care;

Contact person: Gus Byrom, Community Development Bureau (406) 444-4479.

HOPE 1 (Public Housing Homeownership) Program

The HOPE 1 Program is to assist in providing affordable homeownership for residents of public and Indian housing. HOPE 1 funds are available in planning and implementation grants. Eligible activities for planning grants include: replacement housing; development of resident councils; counseling; training and technical assistance; underwriting feasibility studies; preliminary architectural work; and development of security plans.

The maximum planning grant amount is $200,000, and it does not require matching funds. Mini planning grants are available. With implementation grants, a grantee can fund rehabilitation; replacement reserves; legal fees; relocation; economic development activities; and administrative and operating costs. Implementation grants support the cost of developing the housing. There is no cap on overall grant amounts, but some eligible activities are capped. This type of grant requires non-federal matching funds. Both grant types are awarded on a competitive basis.

Resident management corporations, resident corporations, cooperative associations, public or nonprofit organizations, public bodies or agencies, Public Housing Authorities, and Indian Housing Authorities are eligible to apply for HOPE 1 grants.

Contact person: HUD-Denver, Office of Public Housing (303) 844-4762.

HOPE 2 (Homeownership of Multifamily Units) Program (Title IV)

The HOPE 2 program was authorized in subtitle B of Title IV of the National Affordable Housing Act of 1990. Program funds are to be used to assist in developing homeownership opportunities for low-income persons by providing planning and implementation grants to organizations that will help families purchase and maintain units in multifamily projects. The projects must be owned by the government, FHA-distressed, or subject to mortgages that are insured or held by HUD. Resident councils, resident management corporations, cooperative associations, mutual housing associations, public or private nonprofit organizations, public housing agencies and Indian housing authorities are eligible to apply. Joint applications may be submitted. Grants are awarded competitively. Planning grants can be no more than $200,000, while mini planning grants may be only $100,000. They can be used for: development of resident councils; counseling; training and technical assistance; underwriting feasibility studies; preliminary architectural work; and development of security plans.

Implementation grants must be matched with non-federal funds that are at least 33 percent of the grant amount. The maximum implementation grant is based on the present published Section 8 Existing Fair Market Rents over a 10-year period. These grants can fund: rehabilitation; replacement reserves; legal fees; relocation; economic development activities; administrative and operating costs; and acquisition.

Contact person: Lois Tressler, Office of Housing, HUD-Denver Regional Office (303) 844-4959.

HOPE 3 (Homeownership of Single Family Homes) Program

HOPE 3 provides financial assistance for homeownership. Planning grants may be used for feasibility studies, technical assistance for grant recipients, researching the availability of properties, preparing applications for implementation grants, and program planning. HOPE 3 implementation grants may be used for the following: acquiring and rehabilitating property; assisting first-time home buyers in purchasing units; economic development to promote self-sufficiency of home buyers; administrative costs; replacement reserves; and home buyer outreach selection and counseling. Eligible sources for housing are single family residential properties currently owned or held by HUD/FHA, VA, RTC, FDIC, DoD, GSA, DoT, FmHA, all other federal agencies, and state or local governments (including their agencies).

HOPE 3 eligible applicants include private nonprofit organizations, public agencies, cities, states, counties, and PHAs or IHAs in cooperation with a private nonprofit or cooperative association. Grants are awarded competitively: planning grants within a national pool, implementation grants in a regional pool. Planning grants cannot exceed $100,000; implementation grants must be under $3 million.

Contact person: David Jacops, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

HOPE for Youth (YOUTHBUILD)

The HOPE for Youth program was created as section 164 of the Housing and Community Development Act of 1992, which added it as a new subtitle D to the 1990 National Affordable Housing Act. Under YOUTHBUILD, the energies and abilities of youth who have dropped out of school or are in danger of dropping out would be utilized to develop permanent and transitional affordable housing for low-income families and the homeless, and to reconstruct urban neighborhoods. The program is geared toward young men and women aged 16 to 24. It provides academic and basic skills in preparation for a high school equivalency diploma and construction trades training. Half of the youth's time will be spent working and the other half would be spent in the actual construction or rehabilitation of housing under the supervision of trained and licensed construction workers. Regulations for this program are still being written.

Low-income Housing Preservation and Resident Homeownership Program (Title VI)

The Low-income Housing Preservation and Homeownership Program was authorized in Title VI of the National Affordable Housing Act of 1990. The program provides competitive grants to assure the continuation of Section 221(d)(3) and Section 236 projects, whose low-income use restrictions could otherwise expire after 20 years of the final mortgage endorsement. The grants are financial incentives to retain project-subsidized housing projects, and to encourage sales to purchasers who will keep the property for low-income persons. Resident corporations,

owners of low-income housing, nonprofit organization, state or local agencies, or any entity that agrees to maintain low-income affordability restrictions may apply for funding.

Contact person: Richard Fox, Office of Housing, HUD-Denver Regional Office (303) 844-5351.

Supportive Housing for the Elderly (Section 202)

Supportive Housing for Elderly Persons provides funding to expand the supply of housing with supportive services for very low-income persons 62 years of age or older. Initial legislation authorizing this program was enacted in the Housing Act of 1959 (Section 202), and was amended in 1990 by Section 801 of the National Affordable Housing Act. Section 202 funding falls into two categories: capital advances and project rental assistance. Capital advances are to finance elderly housing that also offers supportive services. The advances are non-interest bearing, and are based on development cost limits published in the *Federal Register*. Project rental assistance covers the difference between the HUD-approved cost per unit and the amount the resident pays. Monies cannot go toward debt service. Funds can be used for acquisition, rehabilitation, new construction, rental assistance, and support services for households containing at least one person over 62 years of age. Private, nonprofit, and consumer cooperatives are eligible to apply.

Contact person: Lorin Hunt, Office of Housing, HUD-Denver Regional Office (303) 844-6261.

Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO)

Under the Section 8 Mod Rehab SRO program, HUD enters into annual contributions contracts with PHAs in connection with the moderate rehabilitation of residential properties which will contain multiple single room dwelling units. Funding can be used for operating expenses, debt service for rehabilitation financing, and monthly rental assistance. Resources to fund the cost of unit rehabilitation must come from other sources, and units must need a minimum of $3,000 in rehabilitation. PHAs, IHAs and private nonprofit organizations can apply for grants. For FY93, however, nonprofit organizations must subcontract with a PHA to administer SRO rental assistance. Grants are awarded in a nationwide competition on the basis of need and ability to undertake an SRO program.

Due to limited resources, HUD will only accept applications that propose to assist homeless individuals and those already living in units eligible for Section 8 assistance. In order to assure some assistance to homeless people, 50 percent of the units proposed for assistance must be vacant at the time of application submission.

Contact person: Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121; George Warn, Housing Assistance Bureau, (406) 444-2804.

Energy Programs

Energy program funds are available from the Department of Energy and other agencies. Allocations can be used for rehabilitation and new construction.

A. Weatherization

Energy costs are one of the greatest demands on a low-income family's resources. During Montana's winter, these costs can exceed rental or mortgage costs. The weatherization program administered by the Montana Family Assistance Bureau is 100 percent funded by the Department of Energy and Department of Health and Human Services. The program is designed to help low-income persons reduce their home heating costs and to conserve natural resources. The funds are directed toward local Human Resource Development Councils (HRDCs) and tribal organizations. These organizations decide where the grant money will be spent to install energy saving measures in the homes of low-income persons. Homes are prioritized based on energy consumption.

Specific measures are decided upon after each home has had an energy audit to determine which activities would be most cost-effective. Measures include insulation, caulking, furnace repair and replacement. All labor and materials are purchased locally. By reducing overall costs, weatherization helps a family stay in their home, increasing family self-sufficiency. Income not spent on utility bills stays in the local economy, as does money spent on labor and materials.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

B. Low Income Energy Assistance Program (LIEAP)

The Family Assistance Division's Low Income Energy Assistance Program (LIEAP) is 100 percent funded from the Department of Health and Human Services. The goal of this program is to assist low-income families in meeting the home heating costs. Funding for each household is determined using a series of matrix tables which factor the household's income, fuel type, size and type of home, and local heating degree days. Payments are made to the household's utility company. Supplemental payments are available for very low-income households. Emergency payments are allowed for unforeseen energy-related events. Up to 15 percent of the block grant may be used for weatherization activities to decrease long-term heating cost problems.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

C. Energy Efficient Housing Program for New Construction

The Energy Efficient Housing Program for New Construction is planned by the Montana Bureau of Housing and Department of Natural Resources and Conservation as a means to assist

middle-income persons with payments on newly constructed energy efficient housing. It would set up a mortgage insurance pool from which funds could be drawn. FHA would insure the fist $75,500 of the loan at 5 percent interest (their maximum) and the State the rest (also at 5 percent) up to $97,700 (the IRS-allowed ceiling on mortgages financed with BOH tax-exempt bonds). The FHA maximum mortgage level is $85,400 in Gallatin County, $83,600 in Missoula County, $83,050 in Cascade and Yellowstone counties, and $75,500 in the remaining counties.

The two loans would total out to 95 percent of the appraised value of the house. There would be a single monthly payment on the loans. The maximum the State would need to insure is the difference between these two amounts, or $22,200 per house. Houses will most likely fall into the $85,000 to $95,000 range. Each house would need certification of energy efficiency to qualify for the loans. The program could start with a $300,000 appropriation of oil overcharge funds currently available to the State, and would expand the coverage of existing BOH programs. The insurance pool would be sustained with home owner contribution of 3 percent initial and 1.5 percent annual, paid monthly, mortgage insurance premium and utility contributions to the pool. It would be maintained at an initial maximum value of 25 percent of the dollar amount invested in second mortgages.

Contact person: Alan Davis, Bureau Chief, Montana Planning and Analysis Bureau, Energy Division, Dept. of Natural Resources and Conservation (406) 444-6756.

Low Income Housing Tax Credit Program

The low income housing tax credit is available under Section 42 of the Internal Revenue Code of 1986. The credit was first allocated in Montana in 1987. The federal income tax credit is available to owners of qualifying rental housing which meets stated rent limitation and low-income occupancy requirements. Owners of all buildings, except for certain buildings financed with tax-exempt bonds, must obtain a credit allocation from the appropriate state agency before claiming the tax credit. The Montana Board of Housing allocates the credit for housing located in Montana. The credit allowance for each state will be no greater than $1.25 per State resident.

The tax credit is for residential rental buildings which are available to the general public and are part of a qualifying low-income project. Ineligible units include transient housing (initially leased for less than six months), buildings of four or fewer units which are occupied by the owner or a relative of the owner, nursing homes, life care facilities, retirement homes providing services other than housing, dormitories, and trailer parks.

The tax credit may be used in conjunction with the construction, substantial rehabilitation, or acquisition and substantial rehabilitation of qualifying residential rental housing.

Contact person: Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

MONTANA BOARD OF HOUSING PROGRAMS

The Montana Board of Housing was created by the Montana Housing Act of 1975 in order to alleviate the high cost of housing for low-income persons and families. The funds to operate the programs administered under the act are generated through either the sale of tax-exempt bonds or from administrative fees. The board's programs fall into two categories: home ownership and multifamily programs. Each are described below.

Contact person (all Montana Board of Housing programs): Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

HOME OWNERSHIP PROGRAMS

Single Family Bond Program (initiated in 1977)

The Board of Housing works with approximately 80 lenders statewide to provide mortgages 1.5 percent below conventional rates to assist primarily first-time home owners. In certain target areas, the borrowers need not be first-time purchasers. The program has assisted over 18,000 Montanans to date, at a rate of 1,000 to 1,500 purchases per year. Average household income for the program is $27,290, with a maximum family income limitation established by the BOH. Since 1975, $734 million in bond proceeds have been loaned to home buyers.

Mortgage Credit Certificate Program (initiated in 1987)

This program enables moderate and low-income individuals to convert 20 percent of their annual mortgage interest expense from an itemization (income deduction) to a federal tax credit (tax payment reduction). Average household income of those served under this program was $28,466. A total of 2,476 individual and family households have been assisted through this program since inception.

Home Buyers Cash Assistance Program (initiated in May 1991)

This program provides cash assistance to close a loan for home buyers having an income of no more than $23,000. Funds may be used for up to 50 percent of the minimum cash required to close a loan (maximum advance of $1,000), and these funds are combined with 6⅞ percent, 30-year mortgage money. Purchase price of the home may not exceed $50,000. Since its inception, the program has provided permanent financing of $4,917,213 for 138 homes. In addition to permanent financing, the program provided $119,778 in cash assistance with closing costs. Average household income for this program was $17,209.

203(k) Rehabilitation Home Mortgage Program (initiated March 1992)

The Board of Housing set aside $5 million to provide a firm secondary market for the acquisition and rehabilitation of an existing dwelling not meeting minimum FHA standards. The home is to be owner-occupied with limited business use of the property. The purchaser is to be a first-time homebuyer except for certain targeted areas. This program is conducted in conjunction with the Department of Housing and Urban Development. The maximum loan amount is $60,000 and family income may not exceed $30,000. The refinancing of an existing home loan is not permitted. The board has purchased two loans for $100,750.

Montana Manufactured Housing Program (initiated September 1992)

The Board of Housing set aside $4.5 million to finance single family manufactured housing installed on a permanent foundation on titled (owned) property. Lot cost, well, and septic can be included in the loan. These are 30-year loans with a 7¾ percent fixed rate of interest for first-time homebuyers or single parents (a separated or divorced person that was co-owner of a house) with annual household income at or below $25,000.

Disabled Accessible Affordable Homeownership Program (initiated July 1, 1993)

The board set aside $3.5 million to provide affordable architecturally accessible homes for people with disabilities such that they can live independently. The board has approved for eligibility 55 applications for individuals/families with an average annual income of $14,249.

MULTIFAMILY PROGRAMS

Multifamily Rental Housing Program for Non-Profits (initiated February 1993)

The Rental Housing Program provides mortgage funds for affordable rental housing for low-income Montanans. It is intended to use capacity and knowledge of local governmental units and non-profits to develop affordable housing to meet local needs. Funds are to be used to provide construction and permanent financing for projects meeting the terms and conditions detailed below. Proposals will be accepted from governmental units and non-profits based on a RFP distributed by the BOH. Due to tax law restrictions, applicants for the pilot project are limited to governmental units or nonprofit subsidiaries of governmental units. Approximately $50,000 of the $2.5 million available can be lent to other nonprofit groups such as HRDCs, Neighborhood Housing Services, and other private, nonprofit special needs corporations. The eligible applicant must be the owner of the project, must oversee the construction, and must be the property manager for projects financed under this program. The eligible applicant may contract with private industry for various segments of the project.

Multifamily Bond Program (initiated 1978)

From 1978 until 1982, the Board of Housing issued tax exempt bonds to finance the construction of new, or the rehabilitation of existing, low-income multifamily housing. During that period, the board financed 668 multifamily units for low-income families and the elderly. During FY 1993, the board made preliminary commitments of loan funds through the Multifamily Pilot Program for Rental Housing to non-profit and governmental sponsors of seven projects. These projects total $2,023,253 in loan funds, $4,723,005 in projected costs, and will provide 79 units of affordable rental housing. All of the projects are anticipated to be constructed in 1994.

Low Income Housing Tax Credit Program (initiated 1987)

This program made use of federal tax credits to provide incentives to developers to provide low-income housing. Housing built under the program was restricted to individuals with incomes at or below 60 percent of HUD median income. In addition, rents were restricted to 30 percent of monthly median income. The board allocated $639,735 in federal tax credits for 154 units of rental housing. The city of Billings received 60 of these units, with a total of $284,169 in tax credits. Three projects allocated credits in FY 1993 were placed in services in that year, as were two projects allocated carryover credits in prior years. These projects total 46 units and $72,310 in tax credits (projects allocated in FY 1993) and 79 units and $147,923 in tax credits (projects allocated carryover credits in prior years.) Through FY 1993, the board allocated a total of $2,917,629 in tax credits for a total of 943 units of rental housing in 38 projects.

ELDERLY PROGRAMS

Reverse Annuity Mortgage Loan Program for Elderly Persons (initiated 1989)

This program enables persons 68 years or older to benefit from an additional income source: their home equity. In addition to other uses, the funds may be used to make repairs or improvements to the home. The program has assisted 14 senior homeowners since it began taking applications. Funds committed to these loans totaled $364,800. Average annual income for these borrowers was $7,722.

PRIORITY #1 - NON-HOMELESS PERSONS WITH SPECIAL NEEDS
i. ANALYSIS

Respondents were also asked to review and rate the degree of need by various types of in-need groups. The results of this question indicate that, given the incidence of certain types of in-need groups, some needs appear more critical in one area than in another. In Table 2.24, above, the degree of need for the elderly and mentally or physically disabled is rated more urgent that those of the AIDS/HIV infected, the alcohol or drug addicted, or specific racial minorities. There appeared no clear opinion emerging from evaluation of need of housing for

TABLE 2.24
SURVEY OF MONTANA'S HOUSING NEEDS
DEGREE OF NEED BY IN-NEED CLASSIFICATION

	NUMBER OF RESPONDENTS							
Group	Severe Need			Some Need			No Need	Total Respondents
	☐	☐	☐	☐	☐	☐	☐	
Elderly	11	32	52	45	15	9	1	165
Mentally or Physically Disabled	27	33	35	34	25	12	0	166
Homeless	21	18	19	25	25	41	14	163
AIDS/HIV Infected	6	8	12	23	11	44	45	149
Alcohol or Drug Addicted	9	14	15	33	29	42	17	159
Racial Minority	11	3	13	38	31	38	29	163

the homeless. One must emphasize that, given the wide disparity of need and economic conditions around the State, one local jurisdiction may have a severe need that is inconsequential in another.

As housing has become more scarce and less affordable, people with disabilities have joined many others on waiting lists for low-cost rental units and other subsidized units. Disabled accessible units that are not subsidized are usually more expensive because of the increased square footage required for wheelchair accessibility and other modifications.

The primary concern for disabled people is accessibility. Many of the units in the State were constructed without adequate accessibility. Many disabled people requiring disabled accessibility would prefer to remain in existing homes or apartments. These units often require renovation for access. Usually, disabled people do not have the income to pay for the necessary renovation and for the removal of the renovations (as required by the ADA), should they move elsewhere. As a result, many disabled people are living in units that do not meet their basic needs for accessibility.

The need for accessible units is compelling across the State. In Great Falls, the Mobility Impaired Task Force has been trying for two years to get funding to build 24 units. Missoula is rapidly becoming a regional center for disabled people, as it offers strong medical and rehabilitative services. Missoula succeeded in building these 24 units of mobility-impaired housing in the summer of 1992. It was full within six weeks of opening, and now has a long waiting list. Given the shortage of affordable accessible units, young adults with disabilities tend to live at home. Again, remodeling to fit their needs is prohibitively expensive.

Over the past twenty years, Montana has deinstitutionalized many people with mental illness or developmental disabilities. Group homes have been established in some areas to help meet the needs of the developmentally disabled. In Helena, this housing is extremely limited. Little corollary effort has been made to secure housing for the deinstitutionalized mentally disabled. Particularly in those areas where housing is tight, the mentally disabled are forced to compete with all the other low-income populations for scarce housing and housing assistance.

An additional requirement of the Americans with Disabilities Act is "reasonable accommodations." Problems may arise as to the extent services are needed, expected, and legally required. This consideration could dissuade landlords or developers from accepting people with disabilities.

Because of the Americans with Disabilities Act (ADA), housing accessibility has become a visible need across the State. Accessibility is a problem unless the unit was specifically built for people with disabilities. Modification of existing rental units is difficult to accomplish and the modifications must be removed and the unit restored to its original condition when the disabled tenant leaves. Most people with disabilities cannot afford to do this, and landlords are often unwilling to incur long-term expenses for prospectively short-term tenants. Resolution of this issue presents a challenge for all involved.

The Governor's Office on Aging was contacted regarding the housing needs of the elderly in Montana. Robert Bartholomew, program manager, provided the Statewide Aging Plan and "Aging in Montana," a study of the self-identified needs of older Montanans. He said that the Older American Act does not cover housing; it covers mostly services, meals etc. Assisting the elderly with housing is listed as an objective in the State plan and Montana's Older Americans Act (1987).

The Developmental Disabilities Division of SRS was consulted for information regarding the housing needs of persons with developmental disabilities. They were able to provide close estimates of the number of developmentally disabled citizens in some need of supportive housing. For the physically disabled, Montana does not have a centralized agency for information on their housing needs. The Montana Independent Living Center (MILC) and the Montana State University affiliated Rural Institute on Disabilities were also contacted for their estimates.

A steering committee meeting was the original source of information on lead-poisoning in children. Gertrude Downey, who attended the meeting, recommended John Downey for detail on the Butte Lead Prevention Program, who had recently purchased an analyzer for lead-based paint. The analyzer would be used for the Montana Childhood Lead Poisoning Prevention Program. The proposal for this program, provided by the Preventive Health Services Bureau, included the plan for medical case management of lead poisoned children.

Jim Murphy, surveillance coordinator with the Department of Health's STD/AIDS division, assisted in ascertaining the prevalence of AIDS in the population and the survival rate. He did not see a big need among AIDS victims for housing assistance, but provided a packet of information which he sends to interested parties.

The Department of Corrections and Human Services' Mental Health Division was consulted for an assessment of the housing needs of the mentally ill in Montana. Much of the details available were found in the 1991-94 Statewide Mental Health Plan, provided by the Mental Health Division.

Reverse Annuity Mortgage Loan Program for Elderly Persons (initiated 1989)

This program enables persons 68 years or older to benefit from an additional income source: their home equity. In addition to other uses, the funds may be used to make repairs or improvements to the home. The program has assisted 14 senior homeowners since it began taking applications. Funds committed to these loans totaled $364,800. Average annual income for these borrowers was $7,722.

Contact person: Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

Disabled Accessible Affordable Homeownership Program (initiated July 1, 1993)

The Montana Board of Housing set aside $3.5 million to provide affordable architecturally accessible homes for people with disabilities such that they can live independently. The board has approved for eligibility 55 applications for individuals/families with an average annual income of $14,249.

Contact person: Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

Supportive Housing for Persons with Disabilities (Section 811)

Section 811 grant monies are awarded to private, nonprofit organizations providing assistance to expand housing with supportive services for persons with disabilities. This often includes group homes, independent living facilities, and intermediate care facilities. Section 811 is targeted for persons with a physical disability, developmental disability, or chronic mental illness which is expected to be of long and indefinite duration, substantially impedes the person's ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions.

The program was authorized by the National Affordable Housing Act, Section 811. The competitive grants are available in two forms: capital advances based on the development cost limits published in the *Federal Register*, and project rental assistance to cover the difference between the HUD-approved operating costs and 30 percent of the residents adjusted income. Occupancy is open to very low-income persons between the ages of 18 and 62.

Contact person: Lorin Hunt, Office of Housing, HUD-Denver Regional Office (303) 844-6261.

Housing Opportunities for Persons With AIDS

The Housing Opportunities for Persons with AIDS program (HOPWA) was established by the National Affordable Housing Act. In order to more expeditiously address the pressing needs of persons with AIDS and related diseases, HUD published a July 1992 interim rule. The rule describes two types of HOPWA grants: formula entitlement grants (90 percent of funds allocated) and competitively awarded grants (10 percent of funds allocated). HOPWA grants are to provide states and localities with the resources and incentives to devise long-term strategies for meeting the needs of low-income persons with AIDS and related diseases.

To qualify for a formula allocation, states or eligible metropolitan areas must have more than 1,500 cases of AIDS, a HUD-approved CHAS, and (for EMAs) a population of more than 500,000 people. For states, the 1,500 AIDS cases must be outside state EMAs. In December 1992, $90 million dollars in assistance was made available for formula allocations.

All localities and states, regardless of population and number of AIDS cases, may apply for grants on projects of national significance. National significance is determined by the innovation of the project compared to other applying projects, and the potential for replication of the project. Funding for five grants to nationally significant projects was announced in August 1992 (*August 25, 1992, Federal Register*). Funding for five other projects was also announced at that time. These funds were aimed at states which did not qualify for formula grants, localities outside of EMAs, and localities inside EMAs that do not have a HUD-approved CHAS. For the FY 1992 competitive grant program, only government organizations could apply for funds. An additional $10 million for competitive grants is expected to be announced in a later NOFA. Most activities proposed by the applicant will be considered for eligibility.

Contact person: Bruce Desonia, Sexually Transmitted Diseases/AIDS, Dept. of Health and Environmental Sciences (406) 444-3565; Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

HOPE for Youth (YOUTHBUILD)

The HOPE for Youth program was created as section 164 of the Housing and Community Development Act of 1992, which added it as a new subtitle D to the 1990 National Affordable Housing Act. Under YOUTHBUILD, the energies and abilities of youth who have dropped out of school or are in danger of dropping out would be utilized to develop permanent and transitional affordable housing for low-income families and the homeless, and to reconstruct urban neighborhoods. The program is geared toward young men and women aged 16 to 24. It provides academic and basic skills in preparation for a high school equivalency diploma and construction trades training. Half of the youth's time will be spent working and the other half would be spent in the actual construction or rehabilitation of housing under the supervision of trained and licensed construction workers. Regulations for this program are still being written.

Supportive Housing for the Elderly (Section 202)

Supportive Housing for Elderly Persons provides funding to expand the supply of housing with supportive services for very low-income persons 62 years of age or older. Initial legislation authorizing this program was enacted in the Housing Act of 1959 (Section 202), and was amended in 1990 by Section 801 of the National Affordable Housing Act. Section 202 funding falls into two categories: capital advances and project rental assistance. Capital advances are to finance elderly housing that also offers supportive services. The advances are non-interest bearing, and are based on development cost limits published in the *Federal Register*. Project rental assistance covers the difference between the HUD-approved cost per unit and the amount the resident pays. Monies cannot go toward debt service. Funds can be used for acquisition, rehabilitation, new construction, rental assistance, and support services for households containing at least one person over 62 years of age. Private, nonprofit, and consumer cooperatives are eligible to apply.

Contact person: Lorin Hunt, Office of Housing, HUD-Denver Regional Office (303) 844-6261.

PRIORITY #1 -- HOMELESS PERSONS
i. ANALYSIS

SUMMARY OF SHELTERED HOMELESS STUDY

Graduate students in the Department of Political Science at the University of Montana, Missoula, prepared a study for the Department of Social and Rehabilitative Services on a portion of Montana's homeless population, the sheltered homeless. The study, completed in May 1993, attempted to count sheltered homeless people in the State. Those living on the street, in institutionalized settings, or doubled-up with friends or relatives in existing housing were not included. The study attempted to provide demographic information on sheltered homelessness, and identify their needs and the services available to Montana's sheltered homeless.

It was conducted by taking a physical count on two separate nights, December 2, 1992, and January 26, 1993, at 40 specified shelters. The study targeted 17 emergency shelters, seven domestic violence shelters, eight runaway youth shelters, and eight voucher systems. Few of the shelters were in northeastern Montana, and none in the southeast. Most surveyed shelters were located in urbanized areas (six in Billings, five in Missoula, and five in Bozeman).

The study concludes that approximately 502 homeless persons seek shelter each day during December and January. It reported that the December count included 548 persons requesting shelter; 461 did so on the January date. On each night, 16 people requesting shelter were turned away, two from the emergency shelters, 14 from runaway youth shelters. Shelters turned away homeless people primarily due to lack of space, and secondly due to behavioral problems. A majority of homeless people (352) are served by emergency shelters, while 70

stayed in domestic violence shelters, 41 in runaway youth shelters, and 23 utilized the shelter voucher system.

A survey instrument completed by the shelter directors asked for information related to age, sex, race/ethnic origin, and family status of shelter clients. The mean age of sheltered homeless persons in Montana is 26 years. Individuals under the age of 19 made up 43 percent of the total sheltered homeless population, with a majority of that group under age 9. Sixty-one percent of sheltered homeless individuals are male, 39 percent female. Females make up a majority only in domestic violence shelters with 67 percent (47 of 70 people). Adults between the ages of 20 and 49 represented 48 percent of the sheltered homeless population, most in their 30s. Only 9 percent of the homeless were over age 50.

Native Americans are disproportionately represented in the studied homeless population. They constitute 24 percent of the sheltered homeless population, yet they make up only 6 percent of the total Statewide population. Whites represented 72 percent of persons in shelter facilities.

Additional information about the homeless in Montana was collected by the University through two questionnaires: the first was distributed to directors and asked their opinion of the make-up and needs of their patrons; the second was offered only to emergency shelter clients with response voluntary. According to the shelter directors, the average length of stay at a shelter ranged from 8 to 20 days; clients stayed longest at domestic violence shelters, ranging from 20 to 37 days. Those using vouchers typically remained only 1 to 5 days.

Shelter directors indicated that the major reasons for an individual's or family's homelessness varied. Sometimes several factors conspired to force the person or household into homelessness. Table 2.25, below, presents the shelter directors' opinions of the percent of their clients citing the following major reasons for their homelessness.

TABLE 2.25
DIRECTORS' ESTIMATES OF REASONS FOR HOMELESSNESS[37]
PERCENT OF CLIENTS HAVING FOLLOWING REASONS

REASON CLIENT SEEKING SHELTER	ALL RESPONDENTS	DIRECTOR'S OPINIONS BY TYPE OF SHELTER: EMERGENCY SHELTER	DOMESTIC VIOLENCE	RUNAWAY YOUTH	VOUCHER SYSTEM[38]
Domestic Violence	34%	23%	100%	33%	3%
Lack of Job Skills	27%	33%	0%	2%	54%
Substance Abuse	23%	32%	13%	5%	26%
Can't Find Affordable Housing	20%	34%	10%	0%	13%
Deinstitutionalization	7%	11%	0%	4%	6%
Runaway Youth	6%	2%	0%	29%	0%
Public Assistance Problems	6%	13%	0%	0%	1%
Other	14%	8%	0%	24%	26%

Domestic violence was most commonly cited by the shelter directors as the reason for homelessness, but job skills, substance abuse, and affordable housing followed closely. Respondents cited deinstitutionalization, public assistance, problems, other difficulties, and runaway youth less frequently as the reason for their homelessness. Note, however, that some shelters do not take in runaway youth. A similar question was asked of homeless adults at emergency shelters in the voluntary questionnaire. While the data is restricted to a single dimension, this segment of the homeless population provided interesting information. Table 2.26, below, presents emergency shelter client responses.

TABLE 2.26
REASONS HOMELESS PERSON LEFT LAST RESIDENCE
EMERGENCY SHELTER CLIENT RESPONSES

REASON	# at EMERGENCY SHELTER	% at EMERGENCY SHELTER
Unemployment	18	23.68%
Moved to Seek Work	15	19.74%
Other[39]	13	17.11%
Family Breakup	6	7.89%
Substance Abuse	5	6.58%
Eviction/Foreclosure	5	6.58%
Low Wages	4	5.26%
Family Rejection	4	5.26%
Inadequate Public Assistance	4	5.26%
Domestic Violence	2	2.63%
TOTAL RESPONSES[40]	76	100.00%

[37] Percentages may not add to 100 percent due to reasons for homelessness; multiple responses were allowed in the survey.

[38] Includes those facilities that offer food, clothing, and other basic necessities but do not operate a shelter of their own. Rather, they administer vouchers to homeless people so they can receive shelter at places such as local motels.

[39] Several responses were mental illness.

[40] This may not equal the total number of persons responding to the question as they were asked to check all that may apply.

As stated in the SRS study, homeless adults are more likely to identify economic-related reasons, such as unemployment or moved to seek work, as the cause of their homelessness. Unemployment in the homeless questionnaire translates to 'job skills' in the shelter director survey. Substance abuse was rated as a less frequent cause by this type of respondent, while domestic violence was rated lowest by shelter clients. The difference between the two tables can be attributed to the limitation of the shelter client survey; it was available only to clients of emergency shelters. Therefore, Montana's homeless are primarily in need of long-term job training and counseling. Transitional housing, permanent housing, and employment were also cited as in great need by shelter directors. Their immediate needs relate to affordably priced permanent housing, medical health services, food, and clothing.

According to shelter directors, emergency shelter (94 percent), food (91 percent), mental health (88 percent), medical health services (85 percent), clothing (85 percent), and help for substance abuse (85 percent) are typically requested and available. Education (79 percent), job training (76 percent), and disability services (61 percent) were listed as moderately available by respondents. But sufficient funding to fully respond to client needs is not available at all facilities.

In the *Survey of Montana's Housing Needs*, respondents were asked to review and rate the degree of need by various types of in-need groups. The results of this question indicate that, given the incidence of certain types of in-need groups, certain needs appear more critical in some areas than others. In the table below, the degree of need for the elderly and mentally or physically disabled is rated more urgent that those of the AIDS/HIV infected, the alcohol or drug addicted, or specific racial minorities. There appeared no clear opinion emerging from evaluation of need of housing for the homeless, as seen in Table 2.27, below. One must emphasize that, given the wide disparity of need and economic conditions around the State, local jurisdictions severe needs differ significantly.

TABLE 2.27
SURVEY OF MONTANA'S HOUSING NEEDS
DEGREE OF NEED BY IN-NEED CLASSIFICATION

	NUMBER OF RESPONDENTS							
Group	Severe Need			Some Need			No Need	Total Respondents
	☐	☐	☐	☐	☐	☐	☐	
Elderly	11	31	50	40	14	7	1	154
Mentally or Physically Disabled	26	32	34	28	25	10	0	155
Homeless	21	17	17	24	23	39	12	153
AIDS/HIV Infected	6	8	12	20	11	41	42	140
Alcohol or Drug Addicted	9	14	15	31	25	40	16	150
Racial Minority	11	3	12	37	30	34	26	153

ii. STRATEGY DEVELOPMENT - INVESTMENT PLAN
Community Development Block Grant Program

Montana administers non-entitlement CDBG funds through the Community Development Bureau of MDOC. The State makes grants only to units of general local government that carry out development activities. Montana has developed funding priorities and criteria for selecting projects which revolve around three major objectives: developing community development objectives; deciding how to distribute funds among communities in non-entitlement areas; and ensuring that recipient communities comply with all applicable state and federal laws and requirements. Montana's Community Development Block Grant Program is a federally-funded competitive grant program designed to help communities of less than 50,000 population with their greatest community development needs. Eligible applicants are limited to general purpose local governments. All projects must principally benefit low and moderate income persons.

The basic categories for local community development projects are: housing, public facilities, and economic development. The CDBG program provides grants to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new housing (when sponsored by a non-profit organization); provision of public facilities and improvements such as water and sewer, solid waste and senior citizen centers; and assistance to for-profit businesses to help with economic development activities that will results in the creation or retention of jobs.

Regarding the housing category, CDBG funds are most often used to make low or no interest loans to low and moderate income facilities to allow them to rehabilitate homes in substandard condition. CDBG funds can also be used to finance or subsidize the construction of new permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include the site improvements to publicly-owned land or land owned by a non-profit organization to be used or sold for new housing. Transitional housing is included. The clearance or acquisition of sites for use or resale for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities. A new eligible activity includes homebuyer assistance to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage amounts for low and moderate income homebuyers, financing the acquisition of housing that is occupied by the homebuyers, providing up to 50 percent of any down payment required, or paying reasonable closing costs.

The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income. Sixty percent of the funds must be used for activities which benefit low- and moderate-income persons.

Anticipated activities include:

- acquisition of property for public purposes;
- construction of public works projects;
- demolition;
- rehabilitation of public and private buildings;
- public services;
- planning activities;
- assistance to non-profits for community development activities;
- assistance to for-profit businesses for economic development activities;

The CDBG Program will deny some activities that are ineligible. These tend to be:

- government buildings;
- political activities;
- income payments;
- new housing and other facilities offering 24-hour care;

Contact person: Gus Byrom, Community Development Bureau (406) 444-4479.

HOME Investment Partnership Program

The HOME program, administered by the Housing Assistance Bureau of MDOC, was created under Title II (the Home Investment Partnerships Act) of the 1990 National Affordable Housing Act. The program expands the supply of decent, affordable housing for low- and very low-income families, emphasizing rental housing; to build state and local capacity to design and carry out affordable housing programs; to provide financial and technical assistance to participating jurisdictions, including model program development; and to strengthen partnerships among all levels of government and the private sector in the development of affordable housing.

The program does not require specific activities. However, certain, cost-effective activities are encouraged through lower local matching contribution requirements. Eligible activities include tenant-based rental assistance; assistance to first-time home buyers; property acquisition; new construction (justification required for neighborhood revitalization, special needs); reconstruction, relocation, or demolition; moderate or substantial rehabilitation; site improvements; and other activities related to development of non-luxury housing, such as transitional housing.

All states, metropolitan cities, urban counties and contiguous units of local government are eligible to apply for HOME funds. All HOME funds must assist families below 80 percent of the area median income. One percent of HOME funds is set aside for Indian tribes. Each jurisdiction must allocate 15 percent to programs owned, developed, or sponsored by CHDOs. HUD will issue successful applicants an account (Home Investment Trust Fund) with a line of credit to be used on the approved housing strategy. HOME funds are distributed on a competitive basis.

Contact person: Tim Burton, HOME Program Manager, Housing Assistance Bureau (406) 444-0094.

Homeless Assistance Grants/Emergency Shelter Grants Program

The Family Assistance Division's Homeless Assistance grants are to help improve the quality of existing emergency shelters for the homeless, to make available additional shelters, to meet the costs of operating shelters and of providing essential social services to homeless individuals to help prevent homelessness. The grants are 100 percent funded by the Health and Human Services and Housing and Urban Development departments. According to federal law, 95 percent of funds received must be allocated to the 12 regional Human Resource Development Councils (HRDCs). The grants fund the renovation, rehabilitation, or operating costs of homeless shelters, and the provision of follow-up and long-term services to help homeless persons escape poverty. Shelters to be assisted and service to be delivered are determined by the HRDCs. In FY 1993, the department will receive $115,000 of HUD and $73,361 of HHS homeless funding.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

Rural Homelessness Grant Program

Rural Homelessness grants provide direct emergency assistance, homeless prevention assistance, and assistance for permanent housing. Private nonprofit organizations, Indian tribes, county and local governments may apply. Other eligible areas are all areas outside of Metropolitan Statistical Areas and rural census track within MSAs. The grants are designed for the following: rent, mortgage, or utility assistance; security deposits; support services; rehabilitation; short-term emergency lodging; transitional housing; cost of using federal inventory property programs; and capacity building.

Shelter Plus Care Program

Shelter Plus Care grants help to provide housing and supportive services on a long-term basis for homeless people with disabilities, especially serious mental illness, chronic drug or alcohol problems, and AIDS. Program grants are used for the provision of rental assistance payments through Section 8 Moderate Rehabilitation (SRO), sponsor-based rental assistance (SRA), tenant-based rental assistance (TRA), or project-based rental assistance (PRA). HUD requires that 10 percent of total funds be made available for each of these four program types.

S+C funds are awarded in a nationwide competition, with priority given to homeless needs. States, units of local government, Indian tribes, and Public Housing Authorities can apply for Shelter Plus Care (S+C) grants. Support services must match rental assistance and must be supplied by federal, state, or local governments; or private sources.

Non-PHA applicants applying for the SRO component must subcontract with a PHA to administer the rental housing assistance. Applicants for the SRA must subcontract with a nonprofit organization, also called a sponsor, to provide rental assistance to sponsor-owned or

leased units. PRA applicants must subcontract with a building owner to provide rental assistance for units in a particular property.

Contact person: Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

Supportive Housing Program

This program was created by the Housing and Community Development Act of 1992. It replaces the Supportive Housing Demonstration Program (Transitional Housing Demonstration Program and Permanent Housing for Handicapped Homeless Program) and Supplemental Assistance for Facilities to Assist the Homeless (SAFAH). It incorporates many features of these programs into one program of assistance to governmental entities and private nonprofit organizations to provide housing and supportive services to homeless people. In FY 1993, $100 million will be available for the program. The Supportive Housing Program provides funding under four main components:

Transitional housing to facilitate the movement of homeless individuals and families to permanent housing.

Permanent housing that provides long-term housing for homeless people with disabilities (including AIDS and related diseases).

Housing that is part of a particularly innovative project for meeting the immediate and long-term needs of homeless individuals and families.

Supportive services for homeless individuals and families not provided in conjunction with supportive housing facilities.

The SHP covers acquisition, rehabilitation, new construction, leasing of structures, operating costs, supportive services, and administrative costs. Grants for operating costs are up to 75 percent for the first two years, and 50 percent for the next three years. Funds for acquisition, rehabilitation, and new construction must be equally matched by cash from other sources. Grants are available to states, local governments, other government entities, Indian tribes and housing authorities, private nonprofit organizations, and community mental health associations that are public nonprofit organizations.

Transitional Housing for the Homeless, Supplemental Assistance for Facilities to Assist the Homeless (SAFAH), and Permanent Housing for Disabled Homeless Persons were incorporated into the Supportive Housing Program.

Contact person: Nicole Kelso, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO)

Under the Section 8 Mod Rehab SRO program, HUD enters into annual contributions contracts with PHAs in connection with the moderate rehabilitation of residential properties which will contain multiple single room dwelling units. Funding can be used for operating expenses, debt service for rehabilitation financing, and monthly rental assistance. Resources to fund the cost of unit rehabilitation must come from other sources, and units must need a minimum of $3,000 in rehabilitation. PHAs, IHAs and private nonprofit organizations can apply for grants. For FY93, however, nonprofit organizations must subcontract with a PHA to administer SRO rental assistance. Grants are awarded in a nationwide competition on the basis of need and ability to undertake an SRO program.

Due to limited resources, HUD will only accept applications that propose to assist homeless individuals and those already living in units eligible for Section 8 assistance. In order to assure some assistance to homeless people, 50 percent of the units proposed for assistance must be vacant at the time of application submission.

Contact person: Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121; George Warn, Housing Assistance Bureau, (406) 444-2804.

Safe Havens Demonstration Program

Safe Havens grants are to provide very low-income housing for homeless people with serious mental illnesses. Funds may be used for new construction, acquisitions, rehabilitation, leasing assistance, low-demand support services, outreach activities for eligible persons, and operating costs. Governments and private and public organizations may apply for funding. Total assistance may not exceed $400,000 in five years, and all funds must be matched. This program is not yet in place.

PRIORITY #2
MODERATE INCOME SMALL AND NON-ELDERLY RENTER HOUSEHOLDS

i. ANALYSIS OF RANK #2

The State of Montana feels that the value of local need takes precident, in planning, over a "top-down" management approach. It has been encombant upon local jurisdictions to demonstrate the degree of local need during applications for funds during competitive processes. Unfortunately, Housing and Urban Development regulations seem to indicate that by allowing local preference in planning (i.e.; allowing for the prospect that all housing activities can be ranked with a #1 priority rating) Montana's planning process would be unacceptable. Under these circumstances, bidding for competitive projects in interstate competition would penalize Montana's applicants. Therefore, since HUD approves, or disapproves, of Montana's CHAS process results, HUD thereby nullifies local need in lieu of statewide categorization. All

Priority #2 classifications do not reflect State needs, but are assessed so that the CHAS document is in compliance with federal guidelines.

ii. STRATEGY DEVELOPMENT -- INVESTMENT PLAN

HOME Investment Partnership Program

The HOME program, administered by the Housing Assistance Bureau of MDOC, was created under Title II (the Home Investment Partnerships Act) of the 1990 National Affordable Housing Act. The purpose of the program is to expand the supply of decent, affordable housing for low- and very low-income families, emphasizing rental housing; to build state and local capacity to design and carry out affordable housing programs; to provide financial and technical assistance to participating jurisdiction, including model program development; and to strengthen partnerships among all levels of government and the private sector in the development of affordable housing.

The program does not require specific activities. However, certain, cost-effective activities are encouraged through lower local matching contribution requirements. Eligible activities include

- Tenant-based rental assistance;
- Assistance to first-time home buyers;
- Property acquisition;
- New construction (justification required for neighborhood revitalization, special needs);
- Reconstruction, relocation, or demolition;
- Moderate or substantial rehabilitation;
- Site improvements;
- Conversions;
- Tenant based rental assistance; and,
- Other activities related to development of non-luxury housing (with approval of HUD).

All States, metropolitan cities, urban counties and contiguous units of local government are eligible to apply for HOME funds. All HOME funds must assist families below 80 percent of the area median income. One percent of HOME funds is set aside for Indian tribes. Each jurisdiction must allocate 15 percent to programs owned, developed, or sponsored by CHDOs. HUD will issue successful applicants an account (Home Investment Trust Fund) with a line of credit to be used on the approved housing strategy. HOME funds are distributed on a competitive basis.

Contact person: Tim Burton, HOME Program Manager, Housing Assistance Bureau (406) 444-0094.

Community Development Block Grant Program

Montana administers non-entitlement CDBG funds through the Community Development Bureau of MDOC. The State makes grants only to units of general local government that carry out development activities. Montana has developed funding priorities and criteria for selecting

projects which revolve around three major objectives: developing community development objectives; deciding how to distribute funds among communities in non-entitlement areas; and ensuring that recipient communities comply with all applicable state and federal laws and requirements. Montana's Community Development Block Grant Program is a federally-funded competitive grant program designed to help communities of less than 50,000 population with their greatest community development needs. Eligible applicants are limited to general purpose local governments. All projects must principally benefit low and moderate income persons.

The basic categories for local community development projects are: housing, public facilities, and economic development. The CDBG program provides grants to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new housing (when sponsored by a non-profit organization); provision of public facilities and improvements such as water and sewer, solid waste and senior citizen centers; and assistance to for-profit businesses to help with economic development activities that will results in the creation or retention of jobs.

Regarding the housing category, CDBG funds are most often used to make low or no interest loans to low and moderate income facilities to allow them to rehabilitate homes in substandard condition. CDBG funds can also be used to finance or subsidize the construction of new permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include the site improvements to publicly-owned land or land owned by a non-profit organization to be used or sold for new housing. The clearance or acquisition of sites for use or resale for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities. A new eligible activity includes homebuyer assistance to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage amounts for low and moderate income homebuyers, financing the acquisition of housing that is occupied by the homebuyers, providing up to 50 percent of any down payment required, or paying reasonable closing costs.

The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income. Sixty percent of the funds must be used for activities which benefit low- and moderate-income persons.

Anticipated activities include:

- acquisition of property for public purposes;
- construction of public works projects;
- demolition;
- rehabilitation of public and private buildings;
- public services;

- planning activities;
- assistance to non-profits for community development activities;
- assistance to for-profit businesses for economic development activities;

The CDBG Program will deny some activities that are ineligible. These tend to be:

- government buildings;
- political activities;
- income payments;
- new housing and other facilities offering 24-hour care;

Contact person: Gus Byrom, Community Development Bureau (406) 444-4479.

Supportive Housing for the Elderly (Section 202)

Supportive Housing for Elderly Persons provides funding to expand the supply of housing with supportive services for very low-income persons 62 years of age or older. Initial legislation authorizing this program was enacted in the Housing Act of 1959 (Section 202), and was amended in 1990 by Section 801 of the National Affordable Housing Act. Section 202 funding falls into two categories: capital advances and project rental assistance. Capital advances are to finance elderly housing that also offers supportive services. The advances are non-interest bearing, and are based on development cost limits published in the *Federal Register*. Project rental assistance covers the difference between the HUD-approved cost per unit and the amount the resident pays. Monies cannot go toward debt service. Funds can be used for acquisition, rehabilitation, new construction, rental assistance, and support services for households containing at least one person over 62 years of age. Private, nonprofit, and consumer cooperatives are eligible to apply.

Contact person: Lorin Hunt, Office of Housing, HUD-Denver Regional Office (303) 844-6261.

Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO)

Under the Section 8 Mod Rehab SRO program, HUD enters into annual contributions contracts with PHAs in connection with the moderate rehabilitation of residential properties which will contain multiple single room dwelling units. Funding can be used for operating expenses, debt service for rehabilitation financing, and monthly rental assistance. Resources to fund the cost of unit rehabilitation must come from other sources, and units must need a minimum of $3,000 in rehabilitation. PHAs, IHAs and private nonprofit organizations can apply for grants. For FY93, however, nonprofit organizations must subcontract with a PHA to administer SRO rental assistance. Grants are awarded in a nationwide competition on the basis of need and ability to undertake an SRO program.

Due to limited resources, HUD will only accept applications that propose to assist homeless individuals and those already living in units eligible for Section 8 assistance. In order to assure some assistance to homeless people, 50 percent of the units proposed for assistance must be vacant at the time of application submission.

Contact person: Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121; George Warn, Housing Assistance Bureau, (406) 444-2804.

Low Income Energy Assistance Program (LIEAP)

The Family Assistance Division's Low Income Energy Assistance Program (LIEAP) is 100 percent funded from the Department of Health and Human Services. The goal of this program is to assist low-income families in meeting the home heating costs. Funding is determined using a series of matrix tables which factor the household's income, fuel type, size and type of home, and local heating degree days. Payments are made to the household's utility company. Supplemental payments are available for very low-income households. Emergency payments are allowed for unforeseen energy-related events. Up to 15 percent of the block grant may be used for weatherization activities to decrease long-term heating cost problems.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

Multifamily Rental Housing Program for Non-Profits (initiated February 1993)

The Rental Housing Program provides mortgage funds for affordable rental housing for low-income Montanans. It is intended to use capacity and knowledge of local governmental units and non-profits to develop affordable housing to meet local needs. Funds are to be used to provide construction and permanent financing for projects meeting the terms and conditions detailed below. Proposals will be accepted from governmental units and non-profits based on a Request for Proposal distributed by the BOH. Due to tax law restrictions, applicants for the pilot project are limited to governmental units or nonprofit subsidiaries of governmental units. Approximately $50,000 of the $2.5 million available can be lent to other nonprofit groups such as HRDCs, Neighborhood Housing Services, and other private, nonprofit special needs corporations. The eligible applicant must be the owner of the project, must oversee the construction, and must be the property manager for projects financed under this program. The eligible applicant may contract with private industry for various segments of the project.

Contact person: Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

Multifamily Bond Program (initiated 1978)

From 1978 to 1982, the Board of Housing issued tax exempt bonds to finance the construction or rehabilitation of low-income multifamily housing. During that period, the board financed 668 multifamily units for low-income families and the elderly. During federal fiscal year 1993, the board made preliminary commitments of loan funds through the Multifamily Pilot Program for Rental Housing to non-profit and governmental sponsors of seven projects. These projects total $2,023,253 in loan funds, $4,723,005 in projected costs, and will provide 79 units of affordable rental housing. All of the projects are anticipated to be constructed in 1994.

Contact person: Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

PRIORITY #2
VERY LOW INCOME FIRST TIME HOME BUYERS

i. ANALYSIS OF PRIORITY #2

The State of Montana feels that the value of local need takes precident, in planning, over a "top-down" management approach. It has been encombant upon local jurisdictions to demonstrate the degree of local need during applications for funds during competitive processes. Unfortunately, Housing and Urban Development regulations seem to indicate that by allowing local preference in planning (i.e.; allowing for the prospect that all housing activities can be ranked with a #1 priority rating) Montana's planning process would be unacceptable. Under these circumstances, bidding for competitive projects in interstate competition would penalize Montana's applicants. Therefore, since HUD approves, or disapproves, of Montana's CHAS process results, HUD thereby nullifies local need in lieu of statewide categorization. All Priority #2 classifications do not reflect State needs, but are assessed so that the CHAS document is in compliance with federal guidelines.

ii. STRATEGY DEVELOPMENT -- INVESTMENT PLAN

HOME Investment Partnership Program

The HOME program, administered by the Housing Assistance Bureau of MDOC, was created under Title II (the Home Investment Partnerships Act) of the 1990 National Affordable Housing Act. The purpose of the program is to expand the supply of decent, affordable housing for low- and very low-income families, emphasizing rental housing; to build state and local capacity to design and carry out affordable housing programs; to provide financial and technical assistance to participating jurisdiction, including model program development; and to strengthen partnerships among all levels of government and the private sector in the development of affordable housing.

The program does not require specific activities. However, certain, cost-effective activities are encouraged through lower local matching contribution requirements. Eligible activities include

- Tenant-based rental assistance;
- Assistance to first-time home buyers;
- Property acquisition;
- New construction (justification required for neighborhood revitalization, special needs);
- Reconstruction, relocation, or demolition;
- Moderate or substantial rehabilitation;
- Site improvements;
- Conversions;
- Tenant based rental assistance; and,
- Other activities related to development of non-luxury housing (with approval of HUD).

All States, metropolitan cities, urban counties and contiguous units of local government are eligible to apply for HOME funds. All HOME funds must assist families below 80 percent of the area median income. One percent of HOME funds is set aside for Indian tribes. Each jurisdiction must allocate 15 percent to programs owned, developed, or sponsored by CHDOs. HUD will issue successful applicants an account (Home Investment Trust Fund) with a line of credit to be used on the approved housing strategy. HOME funds are distributed on a competitive basis.

Contact person: Tim Burton, HOME Program Manager, Housing Assistance Bureau (406) 444-0094.

MONTANA BOARD OF HOUSING PROGRAMS

The Montana Board of Housing was created by the Montana Housing Act of 1975 in order to alleviate the high cost of housing for low-income persons and families. The funds to operate the programs administered under the act are generated through either the sale of tax-exempt bonds or from administrative fees. The board's programs fall into two categories: home ownership and multifamily programs. Each are described below.

Contact person (all Montana Board of Housing programs): Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

HOME OWNERSHIP PROGRAMS

Single Family Bond Program (initiated in 1977)

The Board of Housing works with approximately 80 lenders statewide to provide mortgages 1.5 percent below conventional rates to assist primarily first-time home owners. In certain target areas, the borrowers need not be first-time purchasers. The program has assisted over 18,000 Montanans to date, at a rate of 1,000 to 1,500 purchases per year. Average household income for the program is $27,290, with a maximum family income limitation established by the BOH. Since 1975, $734 million in bond proceeds have been loaned to home buyers. The home is to be owner-occupied with limited business use of the property. The purchase price or construction cost of the home may not exceed $75,500 or the FHA maximum insurance limit for the area. The refinancing of an existing home loan is not permitted.

Mortgage Credit Certificate Program (initiated in 1987)

This program enables moderate and low-income individuals to convert 20 percent of their annual mortgage interest expense from an itemization (income deduction) to a federal tax credit (tax payment reduction). Average household income of those served under this program was $28,466. A total of 2,476 individual and family households have been assisted through this program since inception. While the program is mainly to assist first-time home owners, in certain target areas, the borrowers need not be first-time purchasers. The home is to be owner-occupied with limited business use of the property. The purchase price or construction cost of

the home may not exceed $75,500 or the FHA maximum insurance limit for the area. The refinancing of an existing home loan is not permitted.

Home Buyers Cash Assistance Program (initiated in May 1991)

This program provides cash assistance to close a loan for home buyers having an income of no more than $23,000. Funds may be used for up to 50 percent of the minimum cash required to close a loan (maximum advance of $1,000), and these funds are combined with 6⅞ percent, 30-year mortgage money. Purchase price of the home may not exceed $50,000. Since its inception, the program has provided permanent financing of $4,917,213 for 138 homes. In addition to permanent financing, the program provided $119,778 in cash assistance with closing costs. Average household income for this program was $17,209.

203(k) Rehabilitation Home Mortgage Program (initiated in March 1992)

The Board of Housing set aside $5 million to provide a firm secondary market for the acquisition and rehabilitation of an existing dwelling not meeting minimum FHA standards. The home is to be owner-occupied with limited business use of the property. The purchaser is to be a first-time homebuyer except for certain targeted areas. This program is conducted in conjunction with the Department of Housing and Urban Development. The maximum loan amount is $60,000 and family income may not exceed $30,000. The refinancing of an existing home loan is not permitted. The board has purchased two loans for $100,750.

Montana Manufactured Housing Program (initiated in September 1992)

The Board of Housing set aside $4.5 million to finance single family manufactured housing installed on a permanent foundation on titled (owned) property. Lot cost, well, and septic can be included in the loan. These are 30-year loans with a 7¾ percent fixed rate of interest for first-time homebuyers or single parents (a separated or divorced person that was co-owner of a house) with annual household income at or below $25,000. The home is to be owner-occupied with not investor involvement. The lot cannot exceed five acres. The maximum mortgage amount is $65,000.

Low-income Housing Preservation and Resident Homeownership Program (Title VI)

The Low-income Housing Preservation and Homeownership Program was authorized in Title VI of the National Affordable Housing Act of 1990. The program provides competitive grants to assure the continuation of Section 221(d)(3) and Section 236 projects, whose low-income use restrictions could otherwise expire after 20 years of the final mortgage endorsement. The grants are financial incentives to retain project-subsidized housing projects, and to encourage sales to purchasers who will keep the property for low-income persons. Resident corporations, owners of low-income housing, nonprofit organization, state or local agencies, or any entity that agrees to maintain low-income affordability restrictions may apply for funding.
Contact person: Richard Fox, Office of Housing, HUD-Denver Regional Office (303) 844-5351.

HOPE 1 (Public Housing Homeownership) Program

The HOPE 1 Program is to assist in providing affordable homeownership for residents of public and Indian housing. HOPE 1 funds are available in three forms: planning grants and implementation grants. Eligible activities for planning grants include:

- replacement housing;
- development of resident councils;
- counseling;
- training and technical assistance;
- underwriting feasibility studies;
- preliminary architectural work; and
- development of security plans.

The maximum planning grant amount is $200,000, and it does not require matching funds. Mini planning grants are available.

With implementation grants, a grantee can fund

- rehabilitation;
- replacement reserves;
- legal fees;
- relocation;
- economic development activities; and
- administrative and operating costs.

Implementation grants support the cost of developing the housing. There is no cap on overall grant amounts, but some eligible activities are capped. This type of grant requires non-federal matching funds. Both grant types are awarded on a competitive basis.

Resident management corporations, resident corporations, cooperative associations, public or nonprofit organizations, public bodies or agencies, Public Housing Authorities, and Indian Housing Authorities are eligible to apply for HOPE 1 grants.

Contact person: HUD-Denver, Office of Public Housing (303) 844-4762.

HOPE 2 (Homeownership of Multifamily Units) Program (Title IV)

The HOPE 2 program was authorized in subtitle B of Title IV of the National Affordable Housing Act of 1990. Program funds are to be used to assist in developing homeownership opportunities for low-income persons by providing planning and implementation grants to organizations that will help families purchase and maintain units in multifamily projects. The projects must be owned by the government, FHA-distressed, or subject to mortgages that are insured or held by HUD. Resident councils, resident management corporations, cooperative associations, mutual housing associations, public or private nonprofit organizations, public housing agencies and Indian housing authorities are eligible to apply. Joint applications may be submitted. Grants are awarded competitively. Planning grants can be no more than $200,000, while mini planning grants may be only $100,000. They can be used for:

- development of resident councils;
- counseling;

- training and technical assistance;
- underwriting feasibility studies;
- preliminary architectural work; and
- development of security plans.

Implementation grants must be matched with non-federal funds that are at least 33 percent of the grant amount. The maximum implementation grant is based on the present published Section 8 Existing Fair Market Rents over a 10-year period. These grants can fund:

- rehabilitation;
- replacement reserves;
- legal fees;
- relocation;
- economic development activities;
- administrative and operating costs; and
- acquisition.

Contact person: Lois Tressler, Office of Housing, HUD-Denver Regional Office (303) 844-4959.

HOPE 3 (Homeownership of Single Family Homes) Program

HOPE 3 provides financial assistance for homeownership. Planning grants may be used for feasibility studies, technical assistance for grant recipients, researching the availability of properties, preparing applications for implementation grants, and program planning. HOPE 3 implementation grants may be used for the following:

- acquiring and rehabilitating property;
- assisting first-time home buyers in purchasing units;
- economic development to promote self-sufficiency of home buyers;
- administrative costs;
- replacement reserves; and
- home buyer outreach selection and counseling.

Eligible sources for housing are single family residential properties currently owned or held by HUD/FHA, VA, RTC, FDIC, DoD, GSA, DoT, FmHA, all other federal agencies, and state or local governments (including their agencies).

HOPE 3 eligible applicants include private nonprofit organizations, public agencies, cities, states, counties, and PHAs or IHAs in cooperation with a private nonprofit or cooperative association. Grants are awarded competitively: planning grants within a national pool, implementation grants in a regional pool. Planning grants cannot exceed $100,000; implementation grants must be under $3 million.

Contact person: David Jacops, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

Energy Programs

Energy program funds are available from the Department of Energy and other agencies. Allocations can be used for rehabilitation and new construction.

Weatherization

Energy costs are one of the greatest demands on a low-income family's resources. During Montana's winter, these costs can exceed rental or mortgage costs. The weatherization program administered by the Montana Family Assistance Bureau is 100 percent funded by the Department of Energy and Department of Health and Human Services. The program is designed to help low-income persons reduce their home heating costs and to conserve natural resources. The funds are directed toward local Human Resource Development Councils (HRDCs) and tribal organizations. These organizations decide where the grant money will be spent to install energy saving measures in the homes of low-income persons. Homes are prioritized based on energy consumption.

Specific measures are decided upon after each home has had an energy audit to determine which activities would be most cost-effective. Measures include insulation, caulking, furnace repair and replacement. All labor and materials are purchased locally. By reducing overall costs, weatherization helps a family stay in their home, increasing family self-sufficiency. Income not spent on utility bills stays in the local economy, as does money spent on labor and materials.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

Low Income Energy Assistance Program (LIEAP)

The Family Assistance Division's Low Income Energy Assistance Program (LIEAP) is 100 percent funded from the Department of Health and Human Services. The goal of this program is to assist low-income families in meeting the home heating costs. Funding for each household is determined using a series of matrix tables which factor the household's income, fuel type, size and type of home, and local heating degree days. Payments are made to the household's utility company. Supplemental payments are available for very low-income households. Emergency payments are allowed for unforeseen energy-related events. Up to 15 percent of the block grant may be used for weatherization activities to decrease long-term heating cost problems.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

The CHAS Table 2, PRIORITIES FOR ASSISTANCE, FIVE YEAR PLAN, is on the following page.

CHAS Table 2

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Priorities for Assistance
5 Year Plan

Comprehensive Housing Affordability Strategy (CHAS)
Instructions for States

Name of State.

Montana

Five Year Period (enter fiscal yrs.)
FY 1994 through FY 1998

	Renters				Owners			Homeless Persons		Non-Homeless Persons with Special Needs
	Elderly 1 & 2 Member Households	Small Related Households (2 to 4)	Large Related Households (5 or more)	All Other Households	Existing Homeowners	1st-Time Homeowners with Children	1st-Time Homeowners All Others	Indvdls	Families	
A. Household Income	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1. Very Low 0 to 30% MFI*	1	1	1	1	1	2	2	1	1	1
2. Very Low 31 to 50% MFI*	1	1	1	1	1	1	1			
3. Other Low 51 to 80% MFI*	1	2	1	2	1	1	1			
B. Activity (Optional) 1. Acquisition										
2. Rehabilitation										
3. New Construction										
4. Rental Assistance										
5. Homebuyers Assistance										
6. Support Facilities & Services										

* Or, based upon HUD adjusted income limits, if applicable.

The State of Montana feels that the value of local need takes precedence, in planning, over a "top down" management approach. It has been encumbant upon local jurisdictions to demonstrate the degree of local need during applications for funds during competitive processes. Unfortunately, Housing and Urban Development regulations seem to indicate that by allowing local preference in planning (i.e., allowing for the prospect that all housing activities can be ranked with a #1 priority rating) Montana's planning process would be unacceptable. Under these circumstances, bidding for competitive projects in interstate competition would penalize Montana's applicants. Therefore, since HUD approves, or disapproves, of Montana's CHAS process results, HUD thereby nullifies local need in lieu of statewide categorization. All priority #2 classifications do not reflect state needs, but are assessed so that the CHAS document is in compliance with federal guidelines.

C. PUBLIC POLICIES, COURT ORDERS, HUD SANCTIONS

PUBLIC POLICIES

MDOC will continue to provide technical assistance to local government and other entities for the purpose of evaluating and qualifying for housing programs under its control and influence. Half of one staff person's time will be committed to intergovernmental cooperation and application workshops. The application guidelines will be designed to promote cooperation between various local entities, in order to overcome the sometimes fragmented areas of responsibility in housing programs.

The role of the State will expand in regard to the provision and interpretation of information that aids localities in determining and quantifying their housing needs, problems, and alternative solutions to those problems. The State also intends to continue supporting the grant and loan applications of other entities which expand the supply of housing and other related services.

Another creative approach to promoting affordable housing has surfaced. Many small localities are unable to raise enough funds to qualify for federal matching fund programs. The Montana Board of Investments (BOI) and MDOC intend to explore ways in which BOI can provide low interest loans to less advantaged communities for the purpose of providing revenues for federal matching fund programs.

The Community Development Bureau of MDOC received a grant to research model zoning standards. It is widely believed that local and some statewide land-use policies are making the provision of affordable housing more difficult than would otherwise be the case. By studying and inspecting alternatives to current Montana policies, the Community Development Bureau hopes to both encourage a broader dialogue regarding more equitable zoning practices and advise local entities on alternatives to these rules and regulations, thereby facilitating the provision of affordable housing.

The State will continue promoting and assisting non-profit organizations and other entities in applying for and receiving certification as Community Housing Development Organizations (CHDOs). This type of organization has the advantage of a 15 percent set-aside of HOME Program funds for qualifying CHDOs.

MDOC recognizes that one of the best ways of facilitating development of housing is through education and technical assistance. Many people perceive that the array of housing programs and regulations is too complex, or too foreign, to master. For example, FmHA housing rehabilitation money is seldom used because some people believe that the application process is restrictively cumbersome. MDOC is determined to expand its role as a provider of technical assistance, helping local jurisdictions to quantify their housing needs, qualify for various housing programs, and er understanding the requirements of various housing programs. Assistance can be particularly helpful in exploring and determining with some precision the degree and type of local needs.

MDOC, through its Housing Assistance Bureau, will also develop a housing program information clearinghouse. The bureau will construct a database of all housing programs relevant to Montana, whether administered by MDOC or other entities in the State. Other programs related to expanding housing opportunities will also be researched and included.

COURT ORDERS AND HUD SANCTIONS

The State of Montana has no court orders or HUD sanctions pending at this time.

D. INSTITUTIONAL STRUCTURE AND INTERGOVERNMENTAL COOPERATION

INSTITUTIONAL STRUCTURE

Nearly all State-administered housing assistance programs are handled by the Department of Commerce (MDOC), primarily within the Board of Housing, the Community Development Bureau, and the Housing Assistance Bureau. Only recently, the MDOC was authorized to begin development of more formal and long-term development of programs and program delivery systems. As lead agency, the Housing Assistance Bureau will continue to develop the CHAS, to manage and coordinate its many related housing programs, and to promote the interaction and coordination of the many agencies and entities involved in providing affordable housing. To do this successfully, the MDOC established the Housing Assistance Bureau as the lead agency to carry the responsibility for development of future CHAS planning and the management and coordination of many housing programs. During FFY 1993, the Housing Assistance Bureau will also complete its authorization to develop, implement, and manage the HOME Program and CHAS processes.

Another avenue the State wishes to explore in greater detail is coordination with the private sector. Many banks, savings and loans, and other financial organization involved in housing are interested in taking advantage of federally assisted housing improvement programs in meeting requirements of the Federal Community Reinvestment Act (CRA). One federally assisted program is the Montana Community Development Block Grant (CDBG) Program, where local governments apply for grant funds in annual competition to fund housing projects involving the rehabilitation of homes owned or rented by low- or moderate-income families, along with activities to improve the neighborhood in which the housing rehabilitation is taking place. CDBG funds can play a key role in leveraging. Following a plan such as this helps to create a pool of funds for rehabilitation loans at below market interest rates.

MDOC will continue communicating and coordinating activities with other agencies throughout the year. These actions assist in identification of areas for which further communication and cooperation may be needed and can help to identify gaps in the institutional provision of services. This has included application workshops for CDBG funding, information dissemination regarding the Community Reinvestment Act, advice to non-profit entities on how to become certified as a Community Housing Development Organizations (CHDO), and support for other entities in their application processes for funding of various programs.

The Housing Assistance Bureau will begin to explore methods that both state and local government can implement in support of affordable housing. For example, one idea to consider is the extent to which legal ability resides with the local government in the transfer of tax deed properties to non-profit entities for the purpose of promoting affordable housing. Other questions may include the degree of stimulation in property tax revenues generated, and other pay back issues.

During processes that developed the FY 1993 CHAS, Human Resource Development Councils and the Montana Building Industry Association both indicated a pressing need for increasing the limits for both FHA and VA loans. It is the State's understanding that the Montana Building Industry Association is willing to financially support such activity. The homebuilders believe that by increasing the ability of middle income Montanans to move-up to more expensive homes, existing structures will become available to low-income Montanans. While the Housing Assistance Bureau would need legislative authority to commit resources to this effort, the bureau supports this activity.

MDOC recognizes that housing policy and housing program responsibilities are often fragmented across a variety of agencies and organizational entities throughout both the State and federal government. To aid in resolving these complications, MDOC supports the formation of a larger "team" comprised of other government and citizen participants, to aid in directing and solving housing problems facing the State. While MDOC will not prescribe content or scope of the team, or steering committee, MDOC feels that creation of this type of intergovernmental advisory committee will greatly facilitate statewide coordination and delivery of housing programs. MDOC will solicit support for the formation of such an entity for the State's housing policy formation and the development of broader-based constituencies researching and analyzing housing problems facing the State.

The State has been unable to identify the exact size and specific needs of the non-homeless persons with special needs. Since the Housing Assistance Bureau lacks this data, it is difficult for them to propose actions for that in-need population. MDOC will be looking to the steering committee for input in the development and specification of goals in serving this in-need population. Furthermore, MDOC supports the prospective participation of individuals representing the interests of the developmentally disabled, correctional institutions, and other advocates representing non-homeless with special needs populations.

The bureau, organized under the Local Government Assistance Division of MDOC, was authorized to develop, implement, and manage the HOME Program. The position of program manager was advertized, and the manager was selected. Several other positions were created; these are two HOME program officers, one CHAS coordinator and one program assistant. The hiring process has been completed for the two program officer and CHAS coordinator positions.

HOME staff developed the program guidelines and held nine public hearings on the guidelines in various Montana communities. It is felt that with these additions to staff, and the design of the program, MDOC has initiated a very detailed and specific plan for the coordination

and delivery of program services throughout the State. By coordinating the consolidation of the CHAS process in one bureau, smooth and consistent agency processes are being laid down. The bureau is now in a much better position to provide guidance and cooperate with other state and local parties and agencies.

The Community Reinvestment Act (CRA) has stimulated the involvement of for-profit organizations in the provision of affordable housing. One example of CRA's work is the Community Home Ownership Program of Norwest Bank. Ten million dollars has been allocated by Norwest Banks in Montana and Wyoming to be used for home mortgage loans. The loans are available to people in Norwest Bank-designated market areas in Montana for purchasing single-family, owner-occupied residential units. The bank's program provides a low down payment, no discount points, low loan origination fees, and competitive interest rates on home mortgage loans. The loans are available only to families earning no more than 115 percent of the HUD-determined median income for the area, or $30,000. These benefits help make home ownership possible for some low- and moderate-income Montanans.

INTERAGENCY COOPERATION AND COORDINATION

The development and initiation of the HOME Program was not the sole component of the CHAS development process. MDOC has other institutional concerns, such as the integration and coordination of its programs with other possible solutions to affordable housing.

For example, many banks, savings and loans, and other financial organizations involved in housing are interested in taking advantage of federally assisted housing improvement programs in order to meet the requirements of the Federal Community Reinvestment Act (CRA). One of the federally assisted programs is the Montana CDBG Program, where local governments can apply for grant funds in annual competition to fund housing projects. Projects may involve rehabilitation of homes owned or rented by low- or moderate-income families, as well as activities that improve the neighborhood in which the housing rehabilitation is taking place. CDBG funds play a key role in leveraging. This creates a pool of funds for rehabilitation loans at below market interest rates.

MDOC also has been communicating and coordinating activities with other agencies throughout the entire year. This assists in the identification of areas for which further communication and cooperation may be needed and helps to identify gaps in the institutional provision of services. Activities included application workshops for CDBG funding, information dissemination regarding the Community Reinvestment Act, advice to non-profit agencies and prospective non-profit entities on how to become certified as a Community Housing Development Organization (CHDO), and support for other entities in their application processes for the funding of various programs.[41]

[41]For example, the Community Development Bureau assisted the City of Kalispell in forming an alliance with the Federal Home Loan Bank of Seattle. The bureau's role was to emphasize the widespread strength that the program had throughout the state and MDOC.

E. LOW INCOME HOUSING TAX CREDIT (LIHTC)

The Low Income Housing Tax Credit (LIHTC) is available under Section 42 of the Internal Revenue Code of 1986. The credit is a federal income tax credit for owners of qualifying rental housing which meets certain low-income occupancy and rent limitation requirements.

Except for certain buildings substantially financed with tax-exempt bonds, an owner must first obtain a credit allocation from the appropriate State agency before claiming the tax credit. The amount of tax credit which may be allocated annually for housing within each state is limited to $1.25 per State resident. The Montana Board of Housing allocates the tax credit for housing located in the State.

The tax credit is available for residential rental buildings which are part of a qualifying low-income project. The rental units must be available to the general public. Residential properties which were ineligible for the credit generally include transient housing (housing initially leased for less than six months), building of four units or less which are occupied by the owner or a relative of the owner, nursing homes, life care facilities, retirements homes providing significant service other than housing, dormitories, and trailer parks.

The tax credit is used in conjunction with the acquisition and substantial rehabilitation or construction of qualifying residential rental housing. Gross rent for each low-income unit cannot exceed 30 percent of the applicable income ceiling. Gross rent includes the rent paid by the tenant, including utility costs, but excludes Section 8 or other federal rent subsidies. If the tenant pays utilities directly, the minimum rent is reduced by a utility allowance.

The LIHTC Program facilitates the provision of affordable housing to the residents of Montana. Project selection criteria include serving low-income tenants, projects located in distressed or hard-to-develop areas, projects that meet the area's housing needs and priorities, projects serving tenant populations with special housing needs, and projects corresponding to areas with long assisted-housing waiting lists.

F. PUBLIC HOUSING RESIDENT INITIATIVES

The State of Montana has no public housing directly under its control. Therefore, it has no Public Housing Resident Initiatives, or management discussion to offer. However, the State feels that conversion of public housing to owner-occupied housing is desirable, as long as the number of public housing units expands accordingly.

G. LEAD-BASED PAINT PROGRAM BEING FORMED

Montana programs related to control of lead-based paint hazards are in their infancy at the present time. The Montana Department of Health and Environmental Sciences (MDHES) has requested funds in the amount of $340,928 from the Department of Health and Human

Services Centers for Disease Control under the State and Community-Based Childhood Lead Poisoning Prevention Program. Funding for the program's first year has been secured. Funding for subsequent years is contingent upon the initial success of the program. The funds will be used for the Montana Childhood Lead Poisoning Prevention Program. This program will be initiated by the Butte-Silver Bow Health Department, under contract to MDHES.

The Montana Childhood Lead Poisoning Prevention Program will entail the creation of local programs within the communities thought to have the highest at-risk population: Great Falls and Missoula. The program would eventually incorporate other major cities not served and access for rural areas through the urban program. Activities for the first year include the launching of a statewide education and outreach effort, organizing the program in these two cities, and demonstrating a rural outreach model, accessing areas of southwestern Montana through the existing program in Butte. The first six months would be spent in selecting and training community staffs and launching the education program in each area. Screening, environmental assessments, and environmental and medical management would begin after the first six months.

Long-term funding for the program could be provided through a fee system for both screening and environmental assessment. The fees would begin in the second year of the program as the Butte program has shown fees to deter parents from having their children tested unless a definite need has been established. Other potential sources for funding are private and public community resources.

In addition to the Childhood Lead Poisoning Prevention Program, the Occupational and Radiological Health Bureau in the State Department of Health is in the early stages of creating a program to certify training courses for workers, supervisors, and inspectors of lead-based paint evaluation sites. They are currently studying the programs in place in other states and developing a funding proposal. By spring 1994, the EPA intends to have a set of regulations to guide the certification process for training courses.

HIGH RISK AREAS

The Butte Lead Program staff developed a process in order to identify areas of high risk for lead poisoning of children. Seven Montana cities were ranked according to these indicators:

- Percentage of children in the age group 0-5 assigned poverty status;[42]
- Total number of children in age group 0-6;
- Poverty rate; and
- Percentage of homes built prior to 1960.

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[42] While the target age group is 0 to 6, data related to poverty status by age group is presented in five-year increments.

A score of 1 indicated the highest risk, 7 the lowest. Great Falls and Missoula, the cities with the lowest scores, were identified as high risk areas. Butte also demonstrated a high risk but has a program already in place. Table 2.28 (below) presents the scores of each city.

Pre-1940 housing units, those most likely to contain lead-based paint, make up 17.1 percent of the total housing units in Montana. Of those units built before 1940, 25.4 percent are occupied by very low-income renters. Older rental units have higher rates of lead poisoning than do pre-1940 owner-occupied units. Of all renter households, about 58,010 are estimated to have lead-based paint. For owner-occupied households, 92,189 are estimated to have lead-based paint. This is not an indication of the number of households with a lead-based paint hazard; it is merely those most at risk. The findings of initial Superfund-related study by the Butte-Silver Bow Health Department, when applied to the State, indicate that approximately 8,500 children may currently be at risk of lead poisoning.

TABLE 2.28
DATA FOR IDENTIFYING HIGH RISK AREAS

COMMUNITY	% CHILDREN 0-5 BELOW POVERTY	RANK	CHILDREN 0-6	RANK	POVERTY RATE	RANK	% HOUSES BUILT PRE-1960	RANK	TOTAL RANK
Billings	15.5%	6	8,459	1	12.7%	6	39%	6	19
Bozeman	23.3%	1	1,814	6	20.6%	1	42%	5	13
Butte	19.1%	4	3,227	4	15.0%	3	66%	1	12
Great Falls	20.4%	3	5,856	2	13.9%	4	52%	2	11
Helena	17.5%	5	2,374	5	11.0%	8	52%	3	20
Kalispell	14.2%	7	1,141	7	13.8%	5	17%	7	26
Missoula	23.2%	2	3,994	3	17.5%	2	50%	4	11

OTHER CURRENT PROGRAMS

East Helena has a lead program which is relatively small, screening approximately 50 children annually in the East Helena area only. The program is funded by ASARCO and is part of the Lewis and Clark County Health Department.[43] Statistics relating to the East Helena Lead Program's blood screening activities are presented in Table 2.29 (below).

TABLE 2.29
LEWIS AND CLARK COUNTY
OCTOBER 1991 THROUGH NOVEMBER 1992
(in µg/dL)

	<5	5-9	10-14	15-19	20+
Results of Children Screened	11	7	6	-	-
Results of Children Monitored[44]	1	5	7	2	-

The Butte Childhood Lead Poisoning Prevention Program, mentioned above, is a comprehensive program funded by the Atlantic Richfield Corporation (ARCO). The Butte

[43] The East Helena Lead Program began in conjunction with an overall environmental investigation associated with area smelting activities.

[44] Monitoring is to evaluate status of previously established elevated levels

program began as a result of Superfund-related activities and is part of the Butte-Silver Bow County Health Department. The $116,000 supplied annually by ARCO is used to support two full-time staff positions as well as screening activities, lab support, and environmental investigations. The Butte program has screened approximately 1,000 children in its first two years of operation. Under contract to MDHES, the Butte Lead Program coordinator and clinical technician have begun two days of preliminary statewide screening in each of 12 counties. The data from that sampling are presented in Table 2.30, below.

TABLE 2.30
BLOOD LEAD LEVELS IN CHILDREN
OCTOBER 21, 1992
(in μg/dL)

County	<5	5-9	10-14	15-19	20+
Beaverhead County	19	14	3	0	0
Cascade County	17	14	5	2	0
Deer Lodge County	9	10	0	0	0
Jefferson County	0	1	2	0	0
Lake County	0	0	0	0	0
Madison County	3	2	1	1	0
Missoula County	27	7	1	0	0
Powell County	26	12	1	0	0
Ravalli County	0	0	1	0	0
Silver Bow County[45]	80	88	52	12	2
Yellowstone County	19	20	1	0	0
TOTAL	200	168	67	15	2

The Butte program includes a Lead Levels Advisory Committee with representatives from county government, the private non-profit sector, the local university, physicians, and citizens. The model set up with this committee is intended to be used for the statewide program.

The community program began as a result of concerns about lead contaminants in the soil from mining and smelting activities in southwestern Montana. Initial findings of attempts to study the mining-lead contaminants issue in the Butte area have suggested that lead-based paint poses a far greater threat. Therefore, Butte's local program on lead poisoning prevention now focuses on housing-related lead hazards.

H. MONITORING STANDARDS AND PROCEDURES

Grantee and awardee recipients under Montana's housing assistance programs are responsible for administering the projects in accordance with all applicable Federal and State statutory and regulatory requirements. The Department of Commerce has the responsibility to ensure that grantees are carrying out their projects in accordance with these requirements.

Several key federal requirements pertaining to project monitoring and progress report include:

[45] Blood lead levels were averaged for clients having multiple venipuncture specimens.

Section 104(d) of the Federal Housing and Community Development Act and 24 CFR 570.498. The Act and HUD regulations require the submittal of a performance and evaluation report to HUD before October 1, annually, by MDOC. Among other issues, the report must describe the status of all those projects funded through the Montana Community Development Block Grant Program which have not been administratively closed out, include the extent to which each project has benefitted low and moderate income persons.

Section 104(e) of the federal Housing and Community Development Act. The Act requires MDOC to monitory each of the recipients to ensure that the recipient:

- has conducted activities in a timely manner;
- has complied with the provision of the federal Housing and Community Development Act and all other application laws;
- has the continuing capacity to carry out its activities in a timely manner.

24 CFR 570.497. Hud regulations require MDOC to establish record keeping requirements sufficient to demonstrate that Montana's CDBG recipients are administering their projects in compliance with the provisions of the federal Housing and Community Development Act and all other applicable laws.

Office of Management and Budget Circular A-102, Attachment I..OMB requires MDOC to constantly monitory its recipients "to assure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved."

The purpose of monitory is the Department primary method for determining whether a project is in compliance with state and federal requirements. It is the Departments goal to assist and support grantees in complying with applicable state and federal requirements and in successfully implementing their project activities from start-up through closeout of the project. During the course of the local project, the Department will monitory each grantee through written progress reports and periodic on-site visits, so that any problems which might occur can be resolved as soon and as easily as possible.

The federal Housing and Community Development Act, the Cranston-Gonzales Housing Affordability Act, and/or HUD guidelines require the Department to determine whether its recipients:

- are complying with the requirements of the program and other laws and regulations;
- are carrying out their project activities as described in their applications and contracts;
- are carrying out their project activities in a timely manner, in accordance with adopted project implementation schedules;
- are charging costs to the projects which are eligible uses of funds and consistent with the approved project budget; and,
- are conducing the program in a manner which minimizes the opportunity for fraud, waste, and mismanagement.

Grantees are required to maintain complete financial and project files, to comply with CDBG reporting requirements, and to make their records available to authorized agents of the State or Federal government. Representatives of the Department must be provided reasonable access, during normal business hours, to all books, accounts, records, reports, and files pertaining to funded activities. Grantees must also provide all citizens with reasonable access to records regarding the use of the funds.

In addition to reviewing the project progress reports submitted with requests for funds, the MDOC liaison will schedule at least one on-site monitoring visit for each grantee. Most projects are monitored twice; one, after start-up and second, during actual implementation or construction activities. Each monitoring visit usually involves a two day visit to the community to review records, to inspect the community's progress in completing the project activities, and to meet with the project manager and local officials. On-site monitoring is a structured review conducted by the MDOC program officer at the locations(s) where project activities are being carried out and/or where project records are maintained. MDOC staff use a formal monitoring guide with checklists covering the key requirements discussed herein as the format for their review of local projects.

Prior to a monitoring visit, the MDOC liaison will contact the project manager concerning the timing and scope of the monitoring visit. Each monitoring visit normally includes an entrance and exit conference. If it is inconvenient for local officials to schedule an entrance conference, the MDOC liaison will ensure that,m at a minimum, an exit conference takes place. The entrance conference is designed to outline the scope of the monitoring visit. The exit conference provides an opportunity to meet with local officials and staff to review and discuss any outstanding issues identified during the first visit, both positive and negative. As part of the that review, the MDOC liaison will describe his or her tentative conclusions and indicate the level of concern that will be assigned to a particular issue and why. In particular, the MDOC liaison will discuss those issues that he or she intends to address in written monitoring comments. In many cases, by thoroughly discussion a potential problem, MDOC staff are able to determine that there is a reasonable explanation for a particular circumstance or question. Since the overall goal of the MDOC liaison is to assist grantees in achieving timely and effective grant management, every effort will be made to informally resolve or clarify minor monitoring concerns during the exit conference.

Within 30 days following the monitoring visit, the MDOC liaison will provide written monitoring comments to the grant recipient. Copies of the letter will be sent to both the chief elected official and the project manager. The Monitoring letter will contain the following general elements:

- a description of each major area the monitoring visit covered, files review, who conducted the review and the date that it occurred;
- a brief description of the statutory or regulatory requirement at issue and an explanation of the documentation examined pertinent to the requirement;
- the conclusion the reviewer has reached; i.e., satisfactory performance, a "concern", a "question of performance", or a "finding"; and,
- a statement which describes the basis for the conclusion.

Within the scope of a monitoring review there are potentially three levels that may be assigned to a particular issue, if the grant recipient's performance is considered less than satisfactory:

CONCERN

When MDOC liaison raises an issue that does not involve a statutory or regulatory requirement but may involve recommending a management or program improvement, it is considered a "concern". A modification of an administrative procedure or policy is suggested but is not required. No response by local officials is required.

QUESTION OF PERFORMANCE

If the monitoring review raises a question regarding whether a violation of a statutory or regulatory requirement has occurred, the MDOC liaison will first informally discuss the review results with local officials to determine if a violation has occurred. If a determination cannot be made during the exit conference, the MDOC staff may conclude that there is still a "question of performance" and request that additional information be provided within a 30 day time period in order for the Department to determine whether a violation has, in fact, occurred. A final determination regarding the issue under question will be made within 30 days of the grant recipient's response.

FINDING

When a monitoring review of a grant recipient's performance reveals a specific, identifiable violation of a statutory or regulatory requirement about which there is no question, the MDOC liaison will mae a "finding". A written response regarding the grantee's proposed actions to correct the situation is required within 30 days of the date of the MDOC liaison's monitory letter.

Three possible corrective actions are allowed:

Prevent a continuance of the violation;
Mitigate any adverse effects or consequences of the violation to the extent possible under the circumstances; and
Prevent a recurrence of the same or similar violation.

There may be a number of acceptable solutions for resolving a violation. The grantee is allowed to respond to each problem with any reasonable and adequate solution of its choice. The adequacy of a corrective action will be determined by the MDOC. At all times, the MDOC staff will offer any necessary technical assistance to grantees to avoid or resolve any monitoring findings.

SECTION III - ANNUAL PLAN
SUMMARY OF MONTANA'S HOUSING DIFFICULTIES

Housing needs across the State of Montana vary widely. The extreme diversity in available housing, the age of the housing stock, and the overall range in population density complicate assessments of the degree of need. There is a broad array of housing availability, affordability, and suitability problems. The State believes that simply treating the symptoms of the malady will not be sufficient to solve the problems. Resources do not appear to be adequate to completely deal with the housing needs and requirements that plague the State.

The difficulties are becoming more structural for low-income households and families, and they have spread to nearly all income groups, except the wealthy. Regardless of the overwhelming demand for affordable housing, Montana will be implementing programs and delivering services to in-need populations around the State, attempting to initiate a process that will at least minimize the State's housing problems. The general purposes are to:

- Expand the supply of decent and affordable housing, particularly rental housing, for low- and very low-income Montanans. This includes making existing rental housing affordable through tenant-based rental assistance.

- Strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing for all Montanans.

- Provide both financial and technical assistance to local government and non-profit entities, including the development of model programs for affordable low-income housing.

- Extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing.

With these broad-based goals in mind, Montana anticipates supporting any and all programs that address housing needs throughout the State.

INSUFFICIENT HOUSING AVAILABILITY

Lack of available housing requires resolution; nothing is available for low- and moderate-income Montanans in most parts of the State. If it is available, it tends to be of substandard quality. Since the 1990 Census was taken, Montana's major cities have experienced a dramatic increase in population that is driving up the demand for housing; prices are following demand accordingly.

In cities such as Kalispell, Missoula, Bozeman, Helena, or Billings, in-migration is often comprised of higher income persons who are in a better position to purchase land and buildings than many current State residents. Of those Montanans who can afford housing, many must resign themselves to acquiring lower-quality shelter due to the encroaching housing shortage.

Low-income Montanans lose housing options. People fear becoming homeless because they can no longer afford housing in their area, whether rented or owned. The homes currently being constructed are the more expensive, up-scale homes. Little, if any, construction activity creates affordably priced homes and rental property. Within the next few years, Section 8 waiting lists administered by the State are expected to swell about 65 percent, to over 10,000 people.

ABSENCE OF HOUSING AFFORDABILITY

Affordability varies widely around the State, but it is typically a severe problem in the more urbanized areas. Rural and sparsely populated regions of Montana tend to experience dual problems with housing shortages and quality. Because of the tight market and general lack of home building, prices for both homes and rental units have risen sharply in the last year.

There is a large gap between what the market is supplying and what people can afford. Some Section 8 landlords are increasing rents at annual review, citing prevailing markets, rates, taxes, and sewer increases. Other Section 8 landlords are simply leaving the program for the private rental market that provides wider profit margins, citing HUD limitations on rent increases and use of vouchers and certificates.

INADEQUATE HOUSING SUITABILITY

A major problem pertains to the structural and physical integrity of the housing stock. Although many people live in their own homes, incomes are not high enough to maintain them. Several examples highlight this condition. Physical deficiencies are a major problem in many housing units across the State. A portion of the housing stock is 100 years old and built on sandstone foundations. Structures also tend to have old, inadequate electrical wiring and gas vented chimneys used for wood stoves. Most older homes are poorly insulated. Particularly troubling for the large stock of Montana's older homes is the prospective risk of lead-based paint hazard. Nearly two-thirds of the housing stock could be affected, although low-income rentals present the greatest risks.

In these areas, lack of return on investment is a major problem for landlords of housing units that need rehabilitation. Landlords do not want to lose their present tenants, but are also reluctant to borrow money and incur debt when they cannot afford to evict tenants or raise the rents to meet the debt service.

LACK OF HOUSING ACCESSIBILITY

Under the Americans with Disabilities Act, housing accessibility has become a visible need across the State. Accessibility is a problem unless a unit is specifically built for people with disabilities. Modifications are often difficult and expensive, and must be completel removed when the tenant leaves (according to the ADA). Most people with disabilities canno afford to do this, and landlords do not want the inconvenience or cost of constant remodelling

SUMMARY
MONTANA'S ANNUAL PLAN STRATEGY OBJECTIVES

While all housing difficulties fall into one (or more) of the four problem areas, the exact circumstances faced by Montana's communities are as diverse and widespread as the State's geography. A combination of population in-migration and an economy undergoing structural change has had a dire effect on Montana's housing situation. Since the 1990 census was taken, the cost of housing has risen dramatically; available, affordable housing for the very low-income, low-income, and moderate-income population has disappeared in many areas of the State. In other parts of the State, existing vacant housing needs maintenance, causing an overall decline in the suitability and quality of housing. No single prescriptive approach to solving Montana's housing problems is applicable on a statewide level. Montana's strategy is designed to address the four problem areas, but is comprised of many pieces. These are itemized below, and summarized immediately thereafter. The strategic actions are:

- Relieve the shortage of available housing stock;
- Increase the stock of rental units, especially assisted units;
- Promote capital formation to build an adequate number of affordable housing units;
- Increase the ability of low- and moderate-income households to buy homes;
- Increase resources to finance housing maintenance and improvements;
- Better define and explain housing assistance programs;
- Work to ensure fair housing compliance;
- Assist in securing adequate resources to meet the needs of persons requiring supportive and transitional services in achieving permanent housing;
- Assist in securing adequate resources to meet needs for supportive services for the homeless;
- Assist in securing additional funding and resources to increase capacity and counseling service for runaway youth;
- Increase accessibility of Montana's housing stock;
- Increase energy efficiency of Montana's low-income housing stock; and,
- Increase ability of MDOC to respond to requests for technical assistance.

STRATEGIC ACTION DISCUSSION

RELIEVE SHORTAGE OF AVAILABLE HOUSING STOCK

There is a lack of housing in Montana. The problem is especially severe for the low- and moderate-income population. From the long-term poor to the newly poor, the elderly, disabled, families, and young singles all face a lack of affordable housing and shelter. The largest increase in need, however, appears to be for low- and moderate-income families. The number of homeless, newly poor families has risen greatly in the last year, while the State's available, affordable housing has decreased. This increase in demand has been met with little corresponding increase in housing stock anywhere in the State.

Vacancy rates statewide average from 3 percent in some of the rural areas to zero in the urban areas with long waiting lists. Because of the shortage of all types of housing, landlords can rent their units for much higher prices. The increase in demand caused by people moving into Montana from other states prices the low-income population out of even minimum standard

shelter. Deinstitutionalization of mentally disabled people, an increasing number of elderly people who can no longer maintain their own homes, and low-income people displaced by those who can afford to pay higher rents are contributing to the problem as well.

Surveyed statewide housing officials expressed the opinion that developers have no incentive to build the kinds of housing needed to ease the housing problem in Montana. There is little or no return on a builder's investment in low-income housing and a lack of zoning for multifamily dwellings. There is also a shortage of land subdivided and ready to build upon, and a severe lack of mobile home spaces. Weak statewide subdivision regulations allow the creation of subdivisions through "occasional sale" transactions. This frustrates comprehensive planning efforts, creating infrastructure problems for cities and counties.

DESIRED ACTIONS

New construction must be initiated. Montana needs multifamily dwellings and additional public housing. Rehabilitation programs to keep existing stock from deteriorating and maintenance programs to help the elderly remain in their homes will be promoted. State-funded housing programs should be expanded to help build housing and provide state matches for federal programs. MDOC intends to facilitate a cooperative effort among lenders, local housing authorities, and service organizations to develop cohesive packages to compete for housing program funds. Incentives to builders will be inspected. Programs such as the Low Income Housing Tax Credit Program and the Single Family and Multifamily Bond Programs will be further encouraged.

MDOC expects to release a set of model zoning and land-use policies that encourage affordable housing. Furthermore, local governments will be encouraged to review their land-use policies to determine whether they are exclusionary with respect to certain types of affordable housing.

INCREASE STOCK OF RENTAL UNITS: ESPECIALLY ASSISTED UNITS

Public Housing Authorities (PHA) in Montana have not been able to keep up with the demand for affordable rental housing for low-income persons. Waiting lists in the major cities are extremely long, especially for families. The State-administered Section 8 waiting list is anticipated to exceed 10,000 within the next few years. Furthermore, in the July 1992 regional competition for rental certificates and vouchers, no rental certificates or vouchers were allocated to PHAs in Montana. Every administrator of Section 8 subsidies in the State reports growing waiting lists for families.

Housing officials also noted that Section 8 vouchers are issued to the tenants themselves, independent of a particular unit. The potential exists for those holding vouchers to take them with them when they leave the community. Housing officials are not issuing new vouchers, resulting in a community less able to address low-rent housing needs. This problem is especially

difficult for rural areas where people are leaving in greater numbers to find employment in larger communities.

DESIRED ACTIONS

More affordable multifamily rental housing must be created. MDOC will work to facilitate rental housing programs that are directed toward the development of new units and rehabilitation of existing unsuitable units.

The Section 8 voucher system does not guarantee that the assistance will stay within a community, since families take vouchers with them when they move. Periodic review of voucher distribution by HUD and the State of Montana would help determine if additional vouchers should be issued. If so, MDOC will advocate on behalf of the State.

PROMOTE CAPITAL FORMATION TO BUILD AFFORDABLE HOUSING UNITS

There has been little new construction or rehabilitation of existing housing units in recent years. HUD noted in its June 1991 report entitled *A HUD Perspective of Montana* that a portion of this problem relates to capital scarcity:

> "There is little new development of apartments in the State. Refinancing of existing projects is also slow because of low market value and constrictive underwriting requirements for available programs. Importation of capital into Montana via conventional sources is scarce. Local lenders shy away from lending on government projects because of their size and the lenders' lack of knowledge about HUD programs."
>
> Further, the 1986 Federal Tax Reform Act eliminated a number of investment incentives including the provisions effecting capital gains exclusions, accelerated depreciation and passive income issues. For example, the investment tax credit for the rehabilitation of older buildings for income purposes including multifamily housing has been severely impacted. The Montana State Historic Preservation Office, which manages the program, notes that the number of projects has diminished sharply since 1986.
>
> Often real estate development financing is derived through the use of limited partnerships. The investment incentives for limited partnerships were all but eliminated through provisions in the 1986 Act. This has resulted in the development of fewer multifamily units aimed at benefiting low-income Montanans. According to the Montana Building Industry Association, the loss of federal tax incentives associated with multifamily construction in 1986 is now resulting in a serious rental housing shortage in a number of Montana jurisdictions.
>
> Some areas of the State cited higher "outside" costs as a contributing factor to the lack of development of multifamily units. These include infrastructure development, service hook-ups, and compliance with various local land use regulations. However, all agreed that the overriding issue has been the loss of important federal incentives which guarantee an adequate rate of return for the development of multifamily housing.
>
> In many areas, especially those where there is a high demand for all types of rental housing (college communities, tourism communities, and communities which offer regional

medical and social services), housing officials noted that fair market rents under the Section 8 program were too low to be of interest to private developers.

Prospective lowering of HUD fair market rents (FMR) could make this situations worse. FMRs are often already below the non-subsidized rents charged in a community.

DESIRED ACTIONS

Since permanent acceptance of the Low Income Housing Tax Credit has passed, MDOC is in a better position to provide information to investors for the purposes of helping them to identify the best markets of affordable housing.

Also, recent legislation (SB 215) passed by the Montana Legislature no allows a county or a municipality to donate Tax-deed land to a nonprofit corporation for the construction of residential housing. These resources must now be located and encouraged for the development of affordable housing units. Private developers need to be assured of an adequate return on their investment.

INCREASE ABILITY OF LOW AND MODERATE INCOME HOUSEHOLDS TO BUY HOMES

Many low-income families currently living in rental housing would like to move into a home. The monthly mortgage payment is typically lower than rental costs in a non-subsidized unit. However, many people lack sufficient funds for the down payment and closing costs. A second complications relates to the type of housing being selected by the lower income household. In order to qualify for participation in various programs (Montana Board of Housing, FHA, VA) the house itself must be qualified. Some of the available housing is too hig priced to qualify for the Board of Housing programs. Buyers are having difficulty finding a qualified house which they can afford.

DESIRED ACTIONS

The newly established HOPE and HOME programs will provide new sources of funds to assist first-time homebuyers in securing affordable housing. MDOC will continue to efficiently administer these programs.

The Montana Board of Housing 203(k) program, which assists home buyers in making repairs to homes in order to qualify for mortgage assistance, could be more widely utilized. The loan limitations contained in the program could be reviewed to reflect inflationary effects on the cost of renovation and compliance work. MDOC will work to expand this programs effectiveness.

INCREASE RESOURCES TO FINANCE HOUSING MAINTENANCE AND IMPROVEMENTS

Funding is limited for improvements to homes and rental units, especially for elderly persons, persons who require special modifications for disabled access, for those experiencing high energy costs, and for those homes which are in violation of building codes. This violates Montana's policy of securing a suitable housing stock.

DESIRED ACTIONS

Homeowners, renters, and landlords need education programs that teach them how to recognize seemingly small problems that need attention and how to do simple repairs themselves. Many general lack of knowledge available programs such as Montana Board of Housing Reverse Annuity Mortgage Program. This program allows senior citizens to tap into their home equity to secure resources for maintenance. Long-term housing rehabilitation loan funds could be made available through other avenues too. All these are to be available to low income households.

The State could identify programs to assist elderly persons who wish to stay in their own homes. These might include special community projects which employ persons to make needed repairs. CDBG funds may be used to leverage private dollars to establish revolving loan/grant funds. Under such a program public and private dollars could also be made available to senior homeowners to make repairs. As with the Reverse Annuity Program, the loan would be repaid when the house was sold.

SIMPLIFY HOUSING ASSISTANCE PROGRAMS

Paperwork and documentation requirements are complex, detailed, and stringent and personnel needed for such activities are very limited. Perceptions are that rules, regulations, and available funds are too program-specific and difficult to properly target. Housing programs are run as separate, categorical programs with no comprehensive mechanism to combine programs to fit client's varied needs.

DESIRED ACTIONS

MDOC will encourage agencies to coordinate program implementation efforts and pool their resources. The MDOC Housing Information Clearinghouse will incorporate all active programs in the State, include all assistance facilities, and provide contact names and program descriptions. This process will encourage a single-source information data base, able to respond to all housing- and program-related inquiries.

MDOC will work to provide simpler program access and administrative procedures. The CHAS Steering Committee will form a task force designed to inspect and recommend options for enhancing efficiency and practicality in program administration.

The CHAS process is intended to bring federal, state, and local government together with citizens, and the private sector to help develop a coordinated State plan.

A statewide database which identifies all disabled accessible living units in the State would help disabled persons, housing managers, and other housing advocates. Housing discrimination continues to be a significant obstacle for people with disabilities. It has been suggested that programs to test for discrimination be expanded and housing development projects be monitored for compliance with federal statutes regarding the number of accessible units.

WORK TO ENSURE FAIR HOUSING COMPLIANCE

With rental units full and tenants experiencing difficulty with suitable housing, it has become easy to discriminate against the poor, the physically disabled, the mentally disabled, Native Americans, even the elderly. Landlords can, and do, pick and choose to whom they rent. Sexual harassment and unwarranted eviction have been reported.

DESIRED ACTIONS

The general public, landlords, and tenants alike need to be better educated on fair housing practices. The State needs to affirmatively further fair housing practices in whatever way it can. Violations of fair housing practices need to be reported and handled in an effective way. MDOC will continue to ensure that each project approved under programs it administers will enforce fair housing regulations and requirements.

SECURE ADEQUATE RESOURCES FOR PERSONS REQUIRING SUPPORTIVE AND TRANSITIONAL SERVICES

Homeless individuals and families and persons with disabilities require supportive services in conjunction with the provision of affordable housing. In particular, those persons with non-mobility related disabilities often require extensive special services, particularly those who are chronically homeless, chemically dependent, or mentally disabled.

DESIRED ACTIONS

Preventative measures to keep people in their homes are desirable. Funds for short-term payment of mortgages until families find new employment would significantly reduce the number of homeless persons. As with other types of rental housing, incentives must be expanded to attract private dollars for the construction of additional transitional units. Further, the State is interested in providing housing assistance, and services, to those who may require it.

INCREASE ACCESSIBILITY IN THE HOUSING STOCK

Accessibility is a critical issue for many disabled persons. Accessible housing must be developed for disabled persons. The development of capital resources is required to assist homeowners and rental unit managers in the rehabilitation of existing units to provide

accessibility. Both remedial and compensatory projects which accommodate the accessibility costs for property managers, landlords, and homeowners with disabilities are critically needed. Further, disabled renters need more assistance in rental deposits so that once units are available, initial occupancy costs are not prohibitive.

DESIRED ACTIONS

Work to promote accessible housing. Implement and utilize the Disabled Accessible Affordable Homeownership Program initiated late in FY 1993 by the Montana Board of Housing. Encourage support all applications for Section 811 funds.

INCREASE ENERGY EFFICIENCY IN THE HOUSING STOCK

Given the high cost of space heating in Montana, it has been suggested that greater emphasis be placed on the energy efficiency of rental units to assure lower utility costs to tenants. Multifamily projects which use innovative heating and cooling systems emphasizing conservation could be given preference.

DESIRED ACTIONS

Expand the use of weatherization funds to multifamily rental units. Promote long-term solutions to the energy efficiency problem through the Energy Efficient Housing Program for New Construction. Lobby for a larger percentage of LIEAP fund to be applicable to the weatherization of low-income homes.

DECREASE HOUSING ENVIRONMENTAL HAZARDS

A major environmental hazard affecting housing is lead-based paint. Montana programs related to control of lead-based paint hazards are in their infancy at the present time. Pre-1940 housing units, those most likely to contain lead-based paint, make up 17.1 percent of the total units in Montana. Of those units built before 1940, 25.4 percent are occupied by very low-income renters. Older rental units have higher rates of lead poisoning than do pre-1940 owner-occupied units. Of all renter households, about 58,010 are estimated to have lead-based paint. For owner-occupied households, 92,189 are estimated to have lead-based paint. This is not an indication of the number of households with a lead-based paint hazard; it is merely those most at risk. The findings of initial Superfund-related study by the Butte-Silverbow Health Department, when applied to the State, indicate that approximately 8,500 children may currently be at risk of lead poisoning.

Only two programs are currently functioning. East Helena has a lead program which is relatively small, screening approximately 50 children annually in the East Helena area only. The program is funded by ASARCO and is part of the Lewis and Clark County Health

Department.[46] The Butte Childhood Lead Poisoning Prevention Program is a comprehensive program funded by the Atlantic Richfield Corporation (ARCO). The Butte program is part of the Butte-Silver Bow County Health Department. Funds are used to support staff positions, screening activities, lab support, and environmental investigations.

DESIRED ACTIONS

The Montana Childhood Lead Poisoning Prevention Program will entail the creation of local programs within the communities thought to have the highest at-risk population: Great Falls and Missoula. The program would eventually incorporate other major cities not served and access for rural areas through the urban program. Activities for the first year include the launching of a statewide education and outreach effort, organizing the program in these two cities, and demonstrating a rural outreach model, accessing areas of southwestern Montana through the existing program in Butte. The first six months would be spent in selecting and training community staffs and launching the education program in each area. Screening, environmental assessments, and environmental and medical management would begin after the first six months.

The Montana Department of Health and Environmental Sciences (MDHES) has requested funds under the State and Community-Based Childhood Lead Poisoning Prevention Program. The funds will be used for the Montana Childhood Lead Poisoning Prevention Program. This program will be initiated by the Butte-Silverbow Health Department, under contract to MDHES. A secure funding source needs to be located.

Implementation should continue on a Lead Levels Advisory Committee with representatives from county and State government, the private non-profit sector, universities, physicians, and citizens. In addition, the Occupational and Radiological Health Bureau in the State Department of Health should complete their proposed program to certify training courses for workers, supervisors, and inspectors of lead-based paint evaluation sites.

FURTHER THE PREVENTION OF HOMELESSNESS

Homelessness, while not as prevalent a problem in Montana as in other states, continues to grow. With several areas experiencing very high rates of unemployment, continuing low wage rates, and some industries continuing to experience difficult to adverse economic conditions, homelessness may continue to threaten may Montana citizens. Actions need to be taken to prevent others from becoming homeless.

DESIRED ACTIONS

These actions will include additional training and counseling. Such actions, while not always directly a housing program, will involve local and state social service agencies in the

[46] The East Helena Lead Program began in conjunction with an overall environmental investigation associated with area smelting activities.

development of transitional housing, permanent housing, and employment training. Their immediate needs relate to affordably priced permanent housing, medical health services, food, and clothing.

FURTHER SUPPORT SERVICES FOR RUNAWAY AND HOMELESS YOUTH

As noted in the SRS survey of homelessness in the State, homeless youth were the only group that was turned away from the facilities during the winter count. This should have happened.

DESIRED ACTIONS

Montana will attempt to secure a more stable stream of funding to support services for the young. This group suffers from behavior anomalies and has had difficulty adjusting to adulthood. Alcohol and drug treatment, emotional and mental counseling, job training, and other services are required.

A. PRIORITY ANALYSIS AND STRATEGY DEVELOPMENT GEOGRAPHIC DISTRIBUTION AND IMPLEMENTATION

Housing needs across the State of Montana vary widely. The extreme diversity in available housing, the age of the housing stock, and the overall range in population density complicate assessments of the degree of need. There is a broad array of housing availability, affordability, and suitability problems. The State believes that simply treating the symptoms of the malady will not be sufficient to solve the problems. Resources do not appear to be adequate to completely deal with the housing needs and requirements that plague the State.

The State intends to implement its annual plan Statewide (except for the entitlement areas of Billing and Great Falls) and using funds in a competitively based process founded on needs identified at the local level. This means that each local entity must evaluate its needs carefully, articulate them well, present a plan to acquire program resources, and compete with other jurisdictions applying for funds. Montana does not have sufficient resources to fulfill all requests, or to address all problems at the same time. Those best planned and articulated receive funding within a competitive arena. generally, CDBG funds will be spend in non-entitlement areas and HOME Program funds will be available Statewide.

The needs identified and prioritized at the State level may not retain a similar priority rating for implementation at the local level. The statewide priority classification represents only a general indicator of anticipated applications; actual application activity by local jurisdictions may be different, as the identification and quantification of need at the local level is incumbent upon the local community.

The programs historically have been implemented on a statewide competitive basis, and entities receiving CDBG funds are forced to draw down their allocations by 75 percent before they are eligible to apply for additional program funds. This method has been shown to disburse funds equitably throughout the State, allowing all entities an equal chance to apply for funds. Therefore, program activities associated with entitlement areas, non-entitlement metro areas, and rural areas are all represented.

CHAS Table 2 presents the priority rating for each type of in-need group. These ratings are summarized in the narratives below.

PRIORITY #1 - RENTER AND HOMEOWNER HOUSEHOLDS

For the following discussion, all priority 1 categories are accumulated, as the analysis and public comments relate to one or more of the assistance segments within these categories of very low, low, and moderate renter and homeowner households, with the exception of moderately low income renters and very low income first time home buyers, which are each covered later. The service delivery and management system is described by program.

i. STRATEGY IMPLEMENTATION - INVESTMENT PLAN

The State of Montana has a wide array of programs it intends to implement, deliver, or manage throughout the upcoming five-year period, as they pertain to securing affordable housing opportunities for renters and homeowners. These are briefly reviewed below. The program descriptions are followed by an overall listing by activity type.

HOME Investment Partnership Program

The HOME program, administered by the Housing Assistance Bureau of MDOC, was created under Title II (the Home Investment Partnerships Act) of the 1990 National Affordable Housing Act. The program expands the supply of decent, affordable housing for low- and very low-income families, emphasizing rental housing; to build state and local capacity to design and carry out affordable housing programs; to provide financial and technical assistance to participating jurisdictions, including model program development; and to strengthen partnerships among all levels of government and the private sector in the development of affordable housing.

The program does not require specific activities. However, certain, cost-effective activities are encouraged through lower local matching contribution requirements. Eligible activities include tenant-based rental assistance; assistance to first-time home buyers; property acquisition; new construction (justification required for neighborhood revitalization, special needs); reconstruction, relocation, or demolition; moderate or substantial rehabilitation; site improvements; and other activities related to development of non-luxury housing, such as transitional housing.

All states, metropolitan cities, urban counties and contiguous units of local government are eligible to apply for HOME funds. All HOME funds must assist families below 80 percent of the area median income. One percent of HOME funds is set aside for Indian tribes. Each jurisdiction must allocate 15 percent to programs owned, developed, or sponsored by CHDOs. HUD will issue successful applicants an account (Home Investment Trust Fund) with a line of credit to be used on the approved housing strategy. HOME funds are distributed on a competitive basis.

Contact person: Tim Burton, HOME Program Manager, Housing Assistance Bureau (406) 444-0094.

Community Development Block Grant Program

Montana administers non-entitlement CDBG funds through the Community Development Bureau of MDOC. The State makes grants only to units of general local government that carry out development activities. Montana has developed funding priorities and criteria for selecting projects which revolve around three major objectives: developing community development objectives; deciding how to distribute funds among communities in non-entitlement areas; and ensuring that recipient communities comply with all applicable state and federal laws and requirements. Montana's Community Development Block Grant Program is a federally-funded competitive grant program designed to help communities of less than 50,000 population with their greatest community development needs. Eligible applicants are limited to general purpose local governments. All projects must principally benefit low and moderate income persons.

The basic categories for local community development projects are: housing, public facilities, and economic development. The CDBG program provides grants to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new housing (when sponsored by a non-profit organization); provision of public facilities and improvements such as water and sewer, solid waste and senior citizen centers; and assistance to for-profit businesses to help with economic development activities that will results in the creation or retention of jobs.

Regarding the housing category, CDBG funds are most often used to make low or no interest loans to low and moderate income facilities to allow them to rehabilitate homes in substandard condition. CDBG funds can also be used to finance or subsidize the construction of new permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include the site improvements to publicly-owned land or land owned by a non-profit organization to be used or sold for new housing. Transitional housing is included. The clearance or acquisition of sites for use or resale for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities. A new eligible activity includes homebuyer assistance to expand home ownership among low and moderate income persons. These activities include the subsidy of

interest rates and mortgage to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage amounts for low and moderate income homebuyers, financing the acquisition of housing that is occupied by the homebuyers, providing up to 50 percent of any down payment required, or paying reasonable closing costs.

The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income. Sixty percent of the funds must be used for activities which benefit low- and moderate-income persons.

Anticipated activities include:

- acquisition of property for public purposes;
- construction of public works projects;
- demolition;
- rehabilitation of public and private buildings;
- public services;
- planning activities;
- assistance to non-profits for community development activities;
- assistance to for-profit businesses for economic development activities;

The CDBG Program will deny some activities that are ineligible. These tend to be:

- government buildings;
- political activities;
- income payments;
- new housing and other facilities offering 24-hour care;

Contact person: Gus Byrom, Community Development Bureau (406) 444-4479.

HOPE 1 (Public Housing Homeownership) Program

The HOPE 1 Program is to assist in providing affordable homeownership for residents of public and Indian housing. HOPE 1 funds are available in planning and implementation grants. Eligible activities for planning grants include: replacement housing; development of resident councils; counseling; training and technical assistance; underwriting feasibility studies; preliminary architectural work; and development of security plans.

The maximum planning grant amount is $200,000, and it does not require matching funds. Mini planning grants are available. With implementation grants, a grantee can fund rehabilitation; replacement reserves; legal fees; relocation; economic development activities; and administrative and operating costs. Implementation grants support the cost of developing the housing. There is no cap on overall grant amounts, but some eligible activities are capped. This type of grant requires non-federal matching funds. Both grant types are awarded on a competitive basis.

Resident management corporations, resident corporations, cooperative associations, public or nonprofit organizations, public bodies or agencies, Public Housing Authorities, and Indian Housing Authorities are eligible to apply for HOPE 1 grants.

Contact person: HUD-Denver, Office of Public Housing (303) 844-4762.

HOPE 2 (Homeownership of Multifamily Units) Program (Title IV)

The HOPE 2 program was authorized in subtitle B of Title IV of the National Affordable Housing Act of 1990. Program funds are to be used to assist in developing homeownership opportunities for low-income persons by providing planning and implementation grants to organizations that will help families purchase and maintain units in multifamily projects. The projects must be owned by the government, FHA-distressed, or subject to mortgages that are insured or held by HUD. Resident councils, resident management corporations, cooperative associations, mutual housing associations, public or private nonprofit organizations, public housing agencies and Indian housing authorities are eligible to apply. Joint applications may be submitted. Grants are awarded competitively. Planning grants can be no more than $200,000, while mini planning grants may be only $100,000. They can be used for: development of resident councils; counseling; training and technical assistance; underwriting feasibility studies; preliminary architectural work; and development of security plans.

Implementation grants must be matched with non-federal funds that are at least 33 percent of the grant amount. The maximum implementation grant is based on the present published Section 8 Existing Fair Market Rents over a 10-year period. These grants can fund: rehabilitation; replacement reserves; legal fees; relocation; economic development activities; administrative and operating costs; and acquisition.

Contact person: Lois Tressler, Office of Housing, HUD-Denver Regional Office (303) 844-4959.

HOPE 3 (Homeownership of Single Family Homes) Program

HOPE 3 provides financial assistance for homeownership. Planning grants may be used for feasibility studies, technical assistance for grant recipients, researching the availability of properties, preparing applications for implementation grants, and program planning. HOPE 3 implementation grants may be used for the following: acquiring and rehabilitating property; assisting first-time home buyers in purchasing units; economic development to promote self-sufficiency of home buyers; administrative costs; replacement reserves; and home buyer outreach selection and counseling. Eligible sources for housing are single family residential properties currently owned or held by HUD/FHA, VA, RTC, FDIC, DoD, GSA, DoT, FmHA, all other federal agencies, and state or local governments (including their agencies).

HOPE 3 eligible applicants include private nonprofit organizations, public agencies, cities, states, counties, and PHAs or IHAs in cooperation with a private nonprofit or cooperative association. Grants are awarded competitively: planning grants within a national pool,

implementation grants in a regional pool. Planning grants cannot exceed $100,000; implementation grants must be under $3 million.

Contact person: David Jacops, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

HOPE for Youth (YOUTHBUILD)

The HOPE for Youth program was created as section 164 of the Housing and Community Development Act of 1992, which added it as a new subtitle D to the 1990 National Affordable Housing Act. Under YOUTHBUILD, the energies and abilities of youth who have dropped out of school or are in danger of dropping out would be utilized to develop permanent and transitional affordable housing for low-income families and the homeless, and to reconstruct urban neighborhoods. The program is geared toward young men and women aged 16 to 24. It provides academic and basic skills in preparation for a high school equivalency diploma and construction trades training. Half of the youth's time will be spent working and the other half would be spent in the actual construction or rehabilitation of housing under the supervision of trained and licensed construction workers. Regulations for this program are still being written.

Low-income Housing Preservation and Resident Homeownership Program (Title VI)

The Low-income Housing Preservation and Homeownership Program was authorized in Title VI of the National Affordable Housing Act of 1990. The program provides competitive grants to assure the continuation of Section 221(d)(3) and Section 236 projects, whose low-income use restrictions could otherwise expire after 20 years of the final mortgage endorsement. The grants are financial incentives to retain project-subsidized housing projects, and to encourage sales to purchasers who will keep the property for low-income persons. Resident corporations, owners of low-income housing, nonprofit organization, state or local agencies, or any entity that agrees to maintain low-income affordability restrictions may apply for funding.

Contact person: Richard Fox, Office of Housing, HUD-Denver Regional Office (303) 844-5351.

Supportive Housing for the Elderly (Section 202)

Supportive Housing for Elderly Persons provides funding to expand the supply of housing with supportive services for very low-income persons 62 years of age or older. Initial legislation authorizing this program was enacted in the Housing Act of 1959 (Section 202), and was amended in 1990 by Section 801 of the National Affordable Housing Act. Section 202 funding falls into two categories: capital advances and project rental assistance. Capital advances are to finance elderly housing that also offers supportive services. The advances are non-interest bearing, and are based on development cost limits published in the *Federal Register.* Project rental assistance covers the difference between the HUD-approved cost per unit and the amount the resident pays. Monies cannot go toward debt service. Funds can be used for acquisition, rehabilitation, new construction, rental assistance, and support services for households containing

at least one person over 62 years of age. Private, nonprofit, and consumer cooperatives are eligible to apply.
Contact person: Lorin Hunt, Office of Housing, HUD-Denver Regional Office (303) 844-6261.

Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO)

Under the Section 8 Mod Rehab SRO program, HUD enters into annual contributions contracts with PHAs in connection with the moderate rehabilitation of residential properties which will contain multiple single room dwelling units. Funding can be used for operating expenses, debt service for rehabilitation financing, and monthly rental assistance. Resources to fund the cost of unit rehabilitation must come from other sources, and units must need a minimum of $3,000 in rehabilitation. PHAs, IHAs and private nonprofit organizations can apply for grants. For FY93, however, nonprofit organizations must subcontract with a PHA to administer SRO rental assistance. Grants are awarded in a nationwide competition on the basis of need and ability to undertake an SRO program.

Due to limited resources, HUD will only accept applications that propose to assist homeless individuals and those already living in units eligible for Section 8 assistance. In order to assure some assistance to homeless people, 50 percent of the units proposed for assistance must be vacant at the time of application submission.

Contact person: Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121; George Warn, Housing Assistance Bureau, (406) 444-2804.

Energy Programs

Energy program funds are available from the Department of Energy and other agencies. Allocations can be used for rehabilitation and new construction.

A. Weatherization

Energy costs are one of the greatest demands on a low-income family's resources. During Montana's winter, these costs can exceed rental or mortgage costs. The weatherization program administered by the Montana Family Assistance Bureau is 100 percent funded by the Department of Energy and Department of Health and Human Services. The program is designed to help low-income persons reduce their home heating costs and to conserve natural resources. The funds are directed toward local Human Resource Development Councils (HRDCs) and tribal organizations. These organizations decide where the grant money will be spent to install energy saving measures in the homes of low-income persons. Homes are prioritized based on energy consumption.

Specific measures are decided upon after each home has had an energy audit to determine which activities would be most cost-effective. Measures include insulation, caulking, furnace repair and replacement. All labor and materials are purchased locally. By reducing overall

costs, weatherization helps a family stay in their home, increasing family self-sufficiency. Income not spent on utility bills stays in the local economy, as does money spent on labor and materials.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

B. Low Income Energy Assistance Program (LIEAP)

The Family Assistance Division's Low Income Energy Assistance Program (LIEAP) is 100 percent funded from the Department of Health and Human Services. The goal of this program is to assist low-income families in meeting the home heating costs. Funding for each household is determined using a series of matrix tables which factor the household's income, fuel type, size and type of home, and local heating degree days. Payments are made to the household's utility company. Supplemental payments are available for very low-income households. Emergency payments are allowed for unforeseen energy-related events. Up to 15 percent of the block grant may be used for weatherization activities to decrease long-term heating cost problems.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

C. Energy Efficient Housing Program for New Construction

The Energy Efficient Housing Program for New Construction is planned by the Montana Bureau of Housing and Department of Natural Resources and Conservation as a means to assist middle-income persons with payments on newly constructed energy efficient housing. It would set up a mortgage insurance pool from which funds could be drawn. FHA would insure the fist $75,500 of the loan at 5 percent interest (their maximum) and the State the rest (also at 5 percent) up to $97,700 (the IRS-allowed ceiling on mortgages financed with BOH tax-exempt bonds). The FHA maximum mortgage level is $85,400 in Gallatin County, $83,600 in Missoula County, $83,050 in Cascade and Yellowstone counties, and $75,500 in the remaining counties.

The two loans would total out to 95 percent of the appraised value of the house. There would be a single monthly payment on the loans. The maximum the State would need to insure is the difference between these two amounts, or $22,200 per house. Houses will most likely fall into the $85,000 to $95,000 range. Each house would need certification of energy efficiency to qualify for the loans. The program could start with a $300,000 appropriation of oil overcharge funds currently available to the State, and would expand the coverage of existing BOH programs. The insurance pool would be sustained with home owner contribution of 3 percent initial and 1.5 percent annual, paid monthly, mortgage insurance premium and utility contributions to the pool. It would be maintained at an initial maximum value of 25 percent of the dollar amount invested in second mortgages.

Contact person: Alan Davis, Bureau Chief, Montana Planning and Analysis Bureau, Energy Division, Dept. of Natural Resources and Conservation (406) 444-6756.

Low Income Housing Tax Credit Program

The low income housing tax credit is available under Section 42 of the Internal Revenue Code of 1986. The credit was first allocated in Montana in 1987. The federal income tax credit is available to owners of qualifying rental housing which meets stated rent limitation and low-income occupancy requirements. Owners of all buildings, except for certain buildings financed with tax-exempt bonds, must obtain a credit allocation from the appropriate state agency before claiming the tax credit. The Montana Board of Housing allocates the credit for housing located in Montana. The credit allowance for each state will be no greater than $1.25 per State resident.

The tax credit is for residential rental buildings which are available to the general public and are part of a qualifying low-income project. Ineligible units include transient housing (initially leased for less than six months), buildings of four or fewer units which are occupied by the owner or a relative of the owner, nursing homes, life care facilities, retirement homes providing services other than housing, dormitories, and trailer parks.

The tax credit may be used in conjunction with the construction, substantial rehabilitation, or acquisition and substantial rehabilitation of qualifying residential rental housing.

Contact person: Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

MONTANA BOARD OF HOUSING PROGRAMS

The Montana Board of Housing was created by the Montana Housing Act of 1975 in order to alleviate the high cost of housing for low-income persons and families. The funds to operate the programs administered under the act are generated through either the sale of tax-exempt bonds or from administrative fees. The board's programs fall into two categories: home ownership and multifamily programs. Each are described below.

Contact person (all Montana Board of Housing programs): Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

HOME OWNERSHIP PROGRAMS

Single Family Bond Program (initiated in 1977)

The Board of Housing works with approximately 80 lenders statewide to provide mortgages 1.5 percent below conventional rates to assist primarily first-time home owners. In certain target areas, the borrowers need not be first-time purchasers. The program has assisted over 18,000 Montanans to date, at a rate of 1,000 to 1,500 purchases per year. Average household income for the program is $27,290, with a maximum family income limitation established by the BOH. Since 1975, $734 million in bond proceeds have been loaned to home buyers.

Mortgage Credit Certificate Program (initiated in 1987)

This program enables moderate and low-income individuals to convert 20 percent of their annual mortgage interest expense from an itemization (income deduction) to a federal tax credit (tax payment reduction). Average household income of those served under this program was $28,466. A total of 2,476 individual and family households have been assisted through this program since inception.

Home Buyers Cash Assistance Program (initiated in May 1991)

This program provides cash assistance to close a loan for home buyers having an income of no more than $23,000. Funds may be used for up to 50 percent of the minimum cash required to close a loan (maximum advance of $1,000), and these funds are combined with 6⅞ percent, 30-year mortgage money. Purchase price of the home may not exceed $50,000. Since its inception, the program has provided permanent financing of $4,917,213 for 138 homes. In addition to permanent financing, the program provided $119,778 in cash assistance with closing costs. Average household income for this program was $17,209.

203(k) Rehabilitation Home Mortgage Program (initiated March 1992)

The Board of Housing set aside $5 million to provide a firm secondary market for the acquisition and rehabilitation of an existing dwelling not meeting minimum FHA standards. The home is to be owner-occupied with limited business use of the property. The purchaser is to be a first-time homebuyer except for certain targeted areas. This program is conducted in conjunction with the Department of Housing and Urban Development. The maximum loan amount is $60,000 and family income may not exceed $30,000. The refinancing of an existing home loan is not permitted. The board has purchased two loans for $100,750.

Montana Manufactured Housing Program (initiated September 1992)

The Board of Housing set aside $4.5 million to finance single family manufactured housing installed on a permanent foundation on titled (owned) property. Lot cost, well, and septic can be included in the loan. These are 30-year loans with a 7¾ percent fixed rate of interest for first-time homebuyers or single parents (a separated or divorced person that was co-owner of a house) with annual household income at or below $25,000.

Disabled Accessible Affordable Homeownership Program (initiated July 1, 1993)

The board set aside $3.5 million to provide affordable architecturally accessible homes for people with disabilities such that they can live independently. The board has approved for eligibility 55 applications for individuals/families with an average annual income of $14,249.

MULTIFAMILY PROGRAMS

Multifamily Rental Housing Program for Non-Profits (initiated February 1993)

The Rental Housing Program provides mortgage funds for affordable rental housing for low-income Montanans. It is intended to use capacity and knowledge of local governmental units and non-profits to develop affordable housing to meet local needs. Funds are to be used to provide construction and permanent financing for projects meeting the terms and conditions detailed below. Proposals will be accepted from governmental units and non-profits based on a RFP distributed by the BOH. Due to tax law restrictions, applicants for the pilot project are limited to governmental units or nonprofit subsidiaries of governmental units. Approximately $50,000 of the $2.5 million available can be lent to other nonprofit groups such as HRDCs, Neighborhood Housing Services, and other private, nonprofit special needs corporations. The eligible applicant must be the owner of the project, must oversee the construction, and must be the property manager for projects financed under this program. The eligible applicant may contract with private industry for various segments of the project.

Multifamily Bond Program (initiated 1978)

From 1978 until 1982, the Board of Housing issued tax exempt bonds to finance the construction of new, or the rehabilitation of existing, low-income multifamily housing. During that period, the board financed 668 multifamily units for low-income families and the elderly. During FY 1993, the board made preliminary commitments of loan funds through the Multifamily Pilot Program for Rental Housing to non-profit and governmental sponsors of seven projects. These projects total $2,023,253 in loan funds, $4,723,005 in projected costs, and will provide 79 units of affordable rental housing. All of the projects are anticipated to be constructed in 1994.

Low Income Housing Tax Credit Program (initiated 1987)

This program made use of federal tax credits to provide incentives to developers to provide low-income housing. Housing built under the program was restricted to individuals with incomes at or below 60 percent of HUD median income. In addition, rents were restricted to 30 percent of monthly median income. The board allocated $639,735 in federal tax credits for 154 units of rental housing. The city of Billings received 60 of these units, with a total of $284,169 in tax credits. Three projects allocated credits in FY 1993 were placed in services in that year, as were two projects allocated carryover credits in prior years. These projects total 46 units and $72,310 in tax credits (projects allocated in FY 1993) and 79 units and $147,923 in tax credits (projects allocated carryover credits in prior years.) Through FY 1993, the board allocated a total of $2,917,629 in tax credits for a total of 943 units of rental housing in 38 projects.

ELDERLY PROGRAMS

Reverse Annuity Mortgage Loan Program for Elderly Persons (initiated 1989)

This program enables persons 68 years or older to benefit from an additional income source: their home equity. In addition to other uses, the funds may be used to make repairs or improvements to the home. The program has assisted 14 senior homeowners since it began taking applications. Funds committed to these loans totaled $364,800. Average annual income for these borrowers was $7,722.

PRIORITY #1 - NON-HOMELESS PERSONS WITH SPECIAL NEEDS
i. STRATEGY IMPLEMENTATION - INVESTMENT PLAN

Reverse Annuity Mortgage Loan Program for Elderly Persons (initiated 1989)

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Contact person: Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

Disabled Accessible Affordable Homeownership Program (initiated July 1, 1993)

The Montana Board of Housing set aside $3.5 million to provide affordable architecturally accessible homes for people with disabilities such that they can live independently. The board has approved for eligibility 55 applications for individuals/families with an average annual income of $14,249.

Contact person: Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

Supportive Housing for Persons with Disabilities (Section 811)

Section 811 grant monies are awarded to private, nonprofit organizations providing assistance to expand housing with supportive services for persons with disabilities. This often includes group homes, independent living facilities, and intermediate care facilities. Section 811 is targeted for persons with a physical disability, developmental disability, or chronic mental illness which is expected to be of long and indefinite duration, substantially impedes the person's ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions.

The program was authorized by the National Affordable Housing Act, Section 811. The competitive grants are available in two forms: capital advances based on the development cost limits published in the *Federal Register*, and project rental assistance to cover the difference between the HUD-approved operating costs and 30 percent of the residents adjusted income. Occupancy is open to very low-income persons between the ages of 18 and 62.

Contact person: Lorin Hunt, Office of Housing, HUD-Denver Regional Office (303) 844-6261.

Housing Opportunities for Persons With AIDS

The Housing Opportunities for Persons with AIDS program (HOPWA) was established by the National Affordable Housing Act. In order to more expeditiously address the pressing needs of persons with AIDS and related diseases, HUD published a July 1992 interim rule. The rule describes two types of HOPWA grants: formula entitlement grants (90 percent of funds allocated) and competitively awarded grants (10 percent of funds allocated). HOPWA grants are to provide states and localities with the resources and incentives to devise long-term strategies for meeting the needs of low-income persons with AIDS and related diseases.

To qualify for a formula allocation, states or eligible metropolitan areas must have more than 1,500 cases of AIDS, a HUD-approved CHAS, and (for EMAs) a population of more than 500,000 people. For states, the 1,500 AIDS cases must be outside state EMAs. In December 1992, $90 million dollars in assistance was made available for formula allocations.

All localities and states, regardless of population and number of AIDS cases, may apply for grants on projects of national significance. National significance is determined by the innovation of the project compared to other applying projects, and the potential for replication of the project. Funding for five grants to nationally significant projects was announced in August 1992 (*August 25, 1992, Federal Register*). Funding for five other projects was also announced at that time. These funds were aimed at states which did not qualify for formula grants, localities outside of EMAs, and localities inside EMAs that do not have a HUD-approved CHAS. For the FY 1992 competitive grant program, only government organizations could apply for funds. An additional $10 million for competitive grants is expected to be announced in a later NOFA. Most activities proposed by the applicant will be considered for eligibility.

Contact person: Bruce Desonia, Sexually Transmitted Diseases/AIDS, Dept. of Health and Environmental Sciences (406) 444-3565; Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

HOPE for Youth (YOUTHBUILD)

The HOPE for Youth program was created as section 164 of the Housing and Community Development Act of 1992, which added it as a new subtitle D to the 1990 National Affordable Housing Act. Under YOUTHBUILD, the energies and abilities of youth who have dropped out of school or are in danger of dropping out would be utilized to develop permanent and transitional affordable housing for low-income families and the homeless, and to reconstruct

urban neighborhoods. The program is geared toward young men and women aged 16 to 24. It provides academic and basic skills in preparation for a high school equivalency diploma and construction trades training. Half of the youth's time will be spent working and the other half would be spent in the actual construction or rehabilitation of housing under the supervision of trained and licensed construction workers. Regulations for this program are still being written.

Supportive Housing for the Elderly (Section 202)

Supportive Housing for Elderly Persons provides funding to expand the supply of housing with supportive services for very low-income persons 62 years of age or older. Initial legislation authorizing this program was enacted in the Housing Act of 1959 (Section 202), and was amended in 1990 by Section 801 of the National Affordable Housing Act. Section 202 funding falls into two categories: capital advances and project rental assistance. Capital advances are to finance elderly housing that also offers supportive services. The advances are non-interest bearing, and are based on development cost limits published in the *Federal Register*. Project rental assistance covers the difference between the HUD-approved cost per unit and the amount the resident pays. Monies cannot go toward debt service. Funds can be used for acquisition, rehabilitation, new construction, rental assistance, and support services for households containing at least one person over 62 years of age. Private, nonprofit, and consumer cooperatives are eligible to apply.

Contact person: Lorin Hunt, Office of Housing, HUD-Denver Regional Office (303) 844-6261.

PRIORITY #1 -- HOMELESS PERSONS
i. STRATEGY DEVELOPMENT - INVESTMENT PLAN

Community Development Block Grant Program

Montana administers non-entitlement CDBG funds through the Community Development Bureau of MDOC. The State makes grants only to units of general local government that carry out development activities. Montana has developed funding priorities and criteria for selecting projects which revolve around three major objectives: developing community development objectives; deciding how to distribute funds among communities in non-entitlement areas; and ensuring that recipient communities comply with all applicable state and federal laws and requirements. Montana's Community Development Block Grant Program is a federally-funded competitive grant program designed to help communities of less than 50,000 population with their greatest community development needs. Eligible applicants are limited to general purpose local governments. All projects must principally benefit low and moderate income persons.

The basic categories for local community development projects are: housing, public facilities, and economic development. The CDBG program provides grants to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. Some of the activities

that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new housing (when sponsored by a non-profit organization); provision of public facilities and improvements such as water and sewer, solid waste and senior citizen centers; and assistance to for-profit businesses to help with economic development activities that will results in the creation or retention of jobs.

Regarding the housing category, CDBG funds are most often used to make low or no interest loans to low and moderate income facilities to allow them to rehabilitate homes in substandard condition. CDBG funds can also be used to finance or subsidize the construction of new permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include the site improvements to publicly-owned land or land owned by a non-profit organization to be used or sold for new housing. Transitional housing is included. The clearance or acquisition of sites for use or resale for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities. A new eligible activity includes homebuyer assistance to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage amounts for low and moderate income homebuyers, financing the acquisition of housing that is occupied by the homebuyers, providing up to 50 percent of any down payment required, or paying reasonable closing costs.

The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income. Sixty percent of the funds must be used for activities which benefit low- and moderate-income persons.

Anticipated activities include:
- acquisition of property for public purposes;
- construction of public works projects;
- demolition;
- rehabilitation of public and private buildings;
- public services;
- planning activities;
- assistance to non-profits for community development activities;
- assistance to for-profit businesses for economic development activities;

The CDBG Program will deny some activities that are ineligible. These tend to be:
- government buildings;
- political activities;
- income payments;
- new housing and other facilities offering 24-hour care;

Contact person: Gus Byrom, Community Development Bureau (406) 444-4479.

HOME Investment Partnership Program

The HOME program, administered by the Housing Assistance Bureau of MDOC, was created under Title II (the Home Investment Partnerships Act) of the 1990 National Affordable Housing Act. The program expands the supply of decent, affordable housing for low- and very low-income families, emphasizing rental housing; to build state and local capacity to design and carry out affordable housing programs; to provide financial and technical assistance to participating jurisdictions, including model program development; and to strengthen partnerships among all levels of government and the private sector in the development of affordable housing.

The program does not require specific activities. However, certain, cost-effective activities are encouraged through lower local matching contribution requirements. Eligible activities include tenant-based rental assistance; assistance to first-time home buyers; property acquisition; new construction (justification required for neighborhood revitalization, special needs); reconstruction, relocation, or demolition; moderate or substantial rehabilitation; site improvements; and other activities related to development of non-luxury housing, such as transitional housing.

All states, metropolitan cities, urban counties and contiguous units of local government are eligible to apply for HOME funds. All HOME funds must assist families below 80 percent of the area median income. One percent of HOME funds is set aside for Indian tribes. Each jurisdiction must allocate 15 percent to programs owned, developed, or sponsored by CHDOs. HUD will issue successful applicants an account (Home Investment Trust Fund) with a line of credit to be used on the approved housing strategy. HOME funds are distributed on a competitive basis.

Contact person: Tim Burton, HOME Program Manager, Housing Assistance Bureau (406) 444-0094.

Homeless Assistance Grants/Emergency Shelter Grants Program

The Family Assistance Division's Homeless Assistance grants are to help improve the quality of existing emergency shelters for the homeless, to make available additional shelters, to meet the costs of operating shelters and of providing essential social services to homeless individuals to help prevent homelessness. The grants are 100 percent funded by the Health and Human Services and Housing and Urban Development departments. According to federal law, 95 percent of funds received must be allocated to the 12 regional Human Resource Development Councils (HRDCs). The grants fund the renovation, rehabilitation, or operating costs of homeless shelters, and the provision of follow-up and long-term services to help homeless persons escape poverty. Shelters to be assisted and service to be delivered are determined by the HRDCs. In FY 1993, the department will receive $115,000 of HUD and $73,361 of HHS homeless funding.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

Rural Homelessness Grant Program

Rural Homelessness grants provide direct emergency assistance, homeless prevention assistance, and assistance for permanent housing. Private nonprofit organizations, Indian tribes, county and local governments may apply. Other eligible areas are all areas outside of Metropolitan Statistical Areas and rural census track within MSAs. The grants are designed for the following: rent, mortgage, or utility assistance; security deposits; support services; rehabilitation; short-term emergency lodging; transitional housing; cost of using federal inventory property programs; and capacity building.

Shelter Plus Care Program

Shelter Plus Care grants help to provide housing and supportive services on a long-term basis for homeless people with disabilities, especially serious mental illness, chronic drug or alcohol problems, and AIDS. Program grants are used for the provision of rental assistance payments through Section 8 Moderate Rehabilitation (SRO), sponsor-based rental assistance (SRA), tenant-based rental assistance (TRA), or project-based rental assistance (PRA). HUD requires that 10 percent of total funds be made available for each of these four program types.

S+C funds are awarded in a nationwide competition, with priority given to homeless needs. States, units of local government, Indian tribes, and Public Housing Authorities can apply for Shelter Plus Care (S+C) grants. Support services must match rental assistance and must be supplied by federal, state, or local governments; or private sources.

Non-PHA applicants applying for the SRO component must subcontract with a PHA to administer the rental housing assistance. Applicants for the SRA must subcontract with a nonprofit organization, also called a sponsor, to provide rental assistance to sponsor-owned or leased units. PRA applicants must subcontract with a building owner to provide rental assistance for units in a particular property.

Contact person: Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

Supportive Housing Program

This program was created by the Housing and Community Development Act of 1992. It replaces the Supportive Housing Demonstration Program (Transitional Housing Demonstration Program and Permanent Housing for Handicapped Homeless Program) and Supplemental Assistance for Facilities to Assist the Homeless (SAFAH). It incorporates many features of these programs into one program of assistance to governmental entities and private nonprofit organizations to provide housing and supportive services to homeless people. In FY 1993, $100 million will be available for the program. The Supportive Housing Program provides funding under four main components:

Transitional housing to facilitate the movement of homeless individuals and families to permanent housing.

Permanent housing that provides long-term housing for homeless people with disabilities (including AIDS and related diseases).

Housing that is part of a particularly innovative project for meeting the immediate and long-term needs of homeless individuals and families.

Supportive services for homeless individuals and families not provided in conjunction with supportive housing facilities.

The SHP covers acquisition, rehabilitation, new construction, leasing of structures, operating costs, supportive services, and administrative costs. Grants for operating costs are up to 75 percent for the first two years, and 50 percent for the next three years. Funds for acquisition, rehabilitation, and new construction must be equally matched by cash from other sources. Grants are available to states, local governments, other government entities, Indian tribes and housing authorities, private nonprofit organizations, and community mental health associations that are public nonprofit organizations.

Transitional Housing for the Homeless, Supplemental Assistance for Facilities to Assist the Homeless (SAFAH), and Permanent Housing for Disabled Homeless Persons were incorporated into the Supportive Housing Program.

Contact person: Nicole Kelso, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO)

Under the Section 8 Mod Rehab SRO program, HUD enters into annual contributions contracts with PHAs in connection with the moderate rehabilitation of residential properties which will contain multiple single room dwelling units. Funding can be used for operating expenses, debt service for rehabilitation financing, and monthly rental assistance. Resources to fund the cost of unit rehabilitation must come from other sources, and units must need a minimum of $3,000 in rehabilitation. PHAs, IHAs and private nonprofit organizations can apply for grants. For FY93, however, nonprofit organizations must subcontract with a PHA to administer SRO rental assistance. Grants are awarded in a nationwide competition on the basis of need and ability to undertake an SRO program.

Due to limited resources, HUD will only accept applications that propose to assist homeless individuals and those already living in units eligible for Section 8 assistance. In order to assure some assistance to homeless people, 50 percent of the units proposed for assistance must be vacant at the time of application submission.

Contact person: Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121; George Warn, Housing Assistance Bureau, (406) 444-2804.

Safe Havens Demonstration Program

Safe Havens grants are to provide very low-income housing for homeless people with serious mental illnesses. Funds may be used for new construction, acquisitions, rehabilitation, leasing assistance, low-demand support services, outreach activities for eligible persons, and operating costs. Governments and private and public organizations may apply for funding. Total assistance may not exceed $400,000 in five years, and all funds must be matched. This program is not yet in place.

PRIORITY #2
MODERATE INCOME SMALL AND NON-ELDERLY RENTER HOUSEHOLDS

i. ANALYSIS OF RANK #2

The State of Montana feels that the value of local need takes precident, in planning, over a "top-down" management approach. It has been encombant upon local jurisdictions to demonstrate the degree of local need during applications for funds during competitive processes. Unfortunately, Housing and Urban Development regulations seem to indicate that by allowing local preference in planning (i.e.; allowing for the prospect that all housing activities can be ranked with a #1 priority rating) Montana's planning process would be unacceptable. Under these circumstances, bidding for competitive projects in interstate competition would penalize Montana's applicants. Therefore, since HUD approves, or disapproved, of Montana's CHAS process results, HUD thereby nullifies local need in lieu of statewide categorization. All Priority #2 classifications do not reflect State needs, but are assessed so that the CHAS document is in compliance with federal guidelines.

ii. STRATEGY DEVELOPMENT -- INVESTMENT PLAN

HOME Investment Partnership Program

The HOME program, administered by the Housing Assistance Bureau of MDOC, was created under Title II (the Home Investment Partnerships Act) of the 1990 National Affordable Housing Act. The purpose of the program is to expand the supply of decent, affordable housing for low- and very low-income families, emphasizing rental housing; to build state and local capacity to design and carry out affordable housing programs; to provide financial and technical assistance to participating jurisdiction, including model program development; and to strengthen partnerships among all levels of government and the private sector in the development of affordable housing.

The program does not require specific activities. However, certain, cost-effective activities are encouraged through lower local matching contribution requirements. Eligible activities include

- Tenant-based rental assistance;
- Assistance to first-time home buyers;

- Property acquisition;
- New construction (justification required for neighborhood revitalization, special needs);
- Reconstruction, relocation, or demolition;
- Moderate or substantial rehabilitation;
- Site improvements;
- Conversions;
- Tenant based rental assistance; and,
- Other activities related to development of non-luxury housing (with approval of HUD).

All States, metropolitan cities, urban counties and contiguous units of local government are eligible to apply for HOME funds. All HOME funds must assist families below 80 percent of the area median income. One percent of HOME funds is set aside for Indian tribes. Each jurisdiction must allocate 15 percent to programs owned, developed, or sponsored by CHDOs. HUD will issue successful applicants an account (Home Investment Trust Fund) with a line of credit to be used on the approved housing strategy. HOME funds are distributed on a competitive basis.

Contact person: Tim Burton, HOME Program Manager, Housing Assistance Bureau (406) 444-0094.

Community Development Block Grant Program

Montana administers non-entitlement CDBG funds through the Community Development Bureau of MDOC. The State makes grants only to units of general local government that carry out development activities. Montana has developed funding priorities and criteria for selecting projects which revolve around three major objectives: developing community development objectives; deciding how to distribute funds among communities in non-entitlement areas; and ensuring that recipient communities comply with all applicable state and federal laws and requirements. Montana's Community Development Block Grant Program is a federally-funded competitive grant program designed to help communities of less than 50,000 population with their greatest community development needs. Eligible applicants are limited to general purpose local governments. All projects must principally benefit low and moderate income persons.

The basic categories for local community development projects are: housing, public facilities, and economic development. The CDBG program provides grants to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new housing (when sponsored by a non-profit organization); provision of public facilities and improvements such as water and sewer, solid waste and senior citizen centers; and assistance to for-profit businesses to help with economic development activities that will results in the creation or retention of jobs.

Regarding the housing category, CDBG funds are most often used to make low or no interest loans to low and moderate income facilities to allow them to rehabilitate homes in substandard condition. CDBG funds can also be used to finance or subsidize the construction of new permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include the site improvements to publicly-owned land or land owned by a non-profit organization to be used or sold for new housing. The clearance or acquisition of sites for use or resale for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities. A new eligible activity includes homebuyer assistance to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage to expand home ownership among low and moderate income persons. These activities include the subsidy of interest rates and mortgage amounts for low and moderate income homebuyers, financing the acquisition of housing that is occupied by the homebuyers, providing up to 50 percent of any down payment required, or paying reasonable closing costs.

The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income. Sixty percent of the funds must be used for activities which benefit low- and moderate-income persons.

Anticipated activities include:

- acquisition of property for public purposes;
- construction of public works projects;
- demolition;
- rehabilitation of public and private buildings;
- public services;
- planning activities;
- assistance to non-profits for community development activities;
- assistance to for-profit businesses for economic development activities;

The CDBG Program will deny some activities that are ineligible. These tend to be:

- government buildings;
- political activities;
- income payments;
- new housing and other facilities offering 24-hour care;

Contact person: Gus Byrom, Community Development Bureau (406) 444-4479.

Supportive Housing for the Elderly (Section 202)

Supportive Housing for Elderly Persons provides funding to expand the supply of housing with supportive services for very low-income persons 62 years of age or older. Initial legislation authorizing this program was enacted in the Housing Act of 1959 (Section 202), and was amended in 1990 by Section 801 of the National Affordable Housing Act. Section 202 funding falls into two categories: capital advances and project rental assistance. Capital advances are to finance elderly housing that also offers supportive services. The advances are non-interest bearing, and are based on development cost limits published in the *Federal Register*. Project

rental assistance covers the difference between the HUD-approved cost per unit and the amount the resident pays. Monies cannot go toward debt service. Funds can be used for acquisition, rehabilitation, new construction, rental assistance, and support services for households containing at least one person over 62 years of age. Private, nonprofit, and consumer cooperatives are eligible to apply.

Contact person: Lorin Hunt, Office of Housing, HUD-Denver Regional Office (303) 844-6261.

Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO)

Under the Section 8 Mod Rehab SRO program, HUD enters into annual contributions contracts with PHAs in connection with the moderate rehabilitation of residential properties which will contain multiple single room dwelling units. Funding can be used for operating expenses, debt service for rehabilitation financing, and monthly rental assistance. Resources to fund the cost of unit rehabilitation must come from other sources, and units must need a minimum of $3,000 in rehabilitation. PHAs, IHAs and private nonprofit organizations can apply for grants. For FY93, however, nonprofit organizations must subcontract with a PHA to administer SRO rental assistance. Grants are awarded in a nationwide competition on the basis of need and ability to undertake an SRO program.

Due to limited resources, HUD will only accept applications that propose to assist homeless individuals and those already living in units eligible for Section 8 assistance. In order to assure some assistance to homeless people, 50 percent of the units proposed for assistance must be vacant at the time of application submission.

Contact person: Kathryn Smouse-Hulse, Office of Community Planning and Development, HUD-Denver (303) 844-5121; George Warn, Housing Assistance Bureau, (406) 444-2804.

Low Income Energy Assistance Program (LIEAP)

The Family Assistance Division's Low Income Energy Assistance Program (LIEAP) is 100 percent funded from the Department of Health and Human Services. The goal of this program is to assist low-income families in meeting the home heating costs. Funding for each household is determined using a series of matrix tables which factor the household's income, fuel type, size and type of home, and local heating degree days. Payments are made to the household's utility company. Supplemental payments are available for very low-income households. Emergency payments are allowed for unforeseen energy-related events. Up to 15 percent of the block grant may be used for weatherization activities to decrease long-term heating cost problems.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

Multifamily Rental Housing Program for Non-Profits (initiated February 1993)

The Rental Housing Program provides mortgage funds for affordable rental housing for low-income Montanans. It is intended to use capacity and knowledge of local governmental units and non-profits to develop affordable housing to meet local needs. Funds are to be used to provide construction and permanent financing for projects meeting the terms and conditions detailed below. Proposals will be accepted from governmental units and non-profits based on a Request for Proposal distributed by the BOH. Due to tax law restrictions, applicants for the pilot project are limited to governmental units or nonprofit subsidiaries of governmental units. Approximately $50,000 of the $2.5 million available can be lent to other nonprofit groups such as HRDCs, Neighborhood Housing Services, and other private, nonprofit special needs corporations. The eligible applicant must be the owner of the project, must oversee the construction, and must be the property manager for projects financed under this program. The eligible applicant may contract with private industry for various segments of the project.

Contact person: Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

Multifamily Bond Program (initiated 1978)

From 1978 until 1982, the Board of Housing issued tax exempt bonds to finance the construction of new, or the rehabilitation of existing, low-income multifamily housing. During that period, the board financed 668 multifamily units for low-income families and the elderly. During federal fiscal year 1993, the board made preliminary commitments of loan funds through the Multifamily Pilot Program for Rental Housing to non-profit and governmental sponsors of seven projects. These projects total $2,023,253 in loan funds, $4,723,005 in projected costs, and will provide 79 units of affordable rental housing. All of the projects are anticipated to be constructed in 1994.

Contact person: Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

PRIORITY #2
VERY LOW INCOME FIRST TIME HOME BUYERS

i. ANALYSIS OF PRIORITY #2

The State of Montana feels that the value of local need takes precident, in planning, over a "top-down" management approach. It has been encombant upon local jurisdictions to demonstrate the degree of local need during applications for funds during competitive processes. Unfortunately, Housing and Urban Development regulations seem to indicate that by allowing local preference in planning (i.e.; allowing for the prospect that all housing activities can be ranked with a #1 priority rating) Montana's planning process would be unacceptable. Under these circumstances, bidding for competitive projects in interstate competition would penalize Montana's applicants. Therefore, since HUD approves, or disapproved, of Montana's CHAS process results, HUD thereby nullifies local need in lieu of statewide categorization. All

Priority #2 classifications do not reflect State needs, but are assessed so that the CHAS document is in compliance with federal guidelines.

ii. STRATEGY DEVELOPMENT -- INVESTMENT PLAN

HOME Investment Partnership Program

The HOME program, administered by the Housing Assistance Bureau of MDOC, was created under Title II (the Home Investment Partnerships Act) of the 1990 National Affordable Housing Act. The purpose of the program is to expand the supply of decent, affordable housing for low- and very low-income families, emphasizing rental housing; to build state and local capacity to design and carry out affordable housing programs; to provide financial and technical assistance to participating jurisdiction, including model program development; and to strengthen partnerships among all levels of government and the private sector in the development of affordable housing.

The program does not require specific activities. However, certain, cost-effective activities are encouraged through lower local matching contribution requirements. Eligible activities include

- Tenant-based rental assistance;
- Assistance to first-time home buyers;
- Property acquisition;
- New construction (justification required for neighborhood revitalization, special needs);
- Reconstruction, relocation, or demolition;
- Moderate or substantial rehabilitation;
- Site improvements;
- Conversions;
- Tenant based rental assistance; and,
- Other activities related to development of non-luxury housing (with approval of HUD).

All States, metropolitan cities, urban counties and contiguous units of local government are eligible to apply for HOME funds. All HOME funds must assist families below 80 percent of the area median income. One percent of HOME funds is set aside for Indian tribes. Each jurisdiction must allocate 15 percent to programs owned, developed, or sponsored by CHDOs. HUD will issue successful applicants an account (Home Investment Trust Fund) with a line of credit to be used on the approved housing strategy. HOME funds are distributed on a competitive basis.

Contact person: Tim Burton, HOME Program Manager, Housing Assistance Bureau (406) 444-0094.

MONTANA BOARD OF HOUSING PROGRAMS

The Montana Board of Housing was created by the Montana Housing Act of 1975 in order to alleviate the high cost of housing for low-income persons and families. The funds to

operate the programs administered under the act are generated through either the sale of tax-exempt bonds or from administrative fees. The board's programs fall into two categories: home ownership and multifamily programs. Each are described below.

Contact person (all Montana Board of Housing programs): Richard Kain, Administrator, Montana Board of Housing (406) 444-3040.

HOME OWNERSHIP PROGRAMS

Single Family Bond Program (initiated in 1977)

The Board of Housing works with approximately 80 lenders statewide to provide mortgages 1.5 percent below conventional rates to assist primarily first-time home owners. In certain target areas, the borrowers need not be first-time purchasers. The program has assisted over 18,000 Montanans to date, at a rate of 1,000 to 1,500 purchases per year. Average household income for the program is $27,290, with a maximum family income limitation established by the BOH. Since 1975, $734 million in bond proceeds have been loaned to home buyers. The home is to be owner-occupied with limited business use of the property. The purchase price or construction cost of the home may not exceed $75,500 or the FHA maximum insurance limit for the area. The refinancing of an existing home loan is not permitted.

Mortgage Credit Certificate Program (initiated in 1987)

This program enables moderate and low-income individuals to convert 20 percent of their annual mortgage interest expense from an itemization (income deduction) to a federal tax credit (tax payment reduction). Average household income of those served under this program was $28,466. A total of 2,476 individual and family households have been assisted through this program since inception. While the program is mainly to assist first-time home owners, in certain target areas, the borrowers need not be first-time purchasers. The home is to be owner-occupied with limited business use of the property. The purchase price or construction cost of the home may not exceed $75,500 or the FHA maximum insurance limit for the area. The refinancing of an existing home loan is not permitted.

Home Buyers Cash Assistance Program (initiated in May 1991)

This program provides cash assistance to close a loan for home buyers having an income of no more than $23,000. Funds may be used for up to 50 percent of the minimum cash required to close a loan (maximum advance of $1,000), and these funds are combined with 6⅞ percent, 30-year mortgage money. Purchase price of the home may not exceed $50,000. Since its inception, the program has provided permanent financing of $4,917,213 for 138 homes. In addition to permanent financing, the program provided $119,778 in cash assistance with closing costs. Average household income for this program was $17,209.

203(k) Rehabilitation Home Mortgage Program (initiated in March 1992)

The Board of Housing set aside $5 million to provide a firm secondary market for the acquisition and rehabilitation of an existing dwelling not meeting minimum FHA standards. The home is to be owner-occupied with limited business use of the property. The purchaser is to be a first-time homebuyer except for certain targeted areas. This program is conducted in conjunction with the Department of Housing and Urban Development. The maximum loan amount is $60,000 and family income may not exceed $30,000. The refinancing of an existing home loan is not permitted. The board has purchased two loans for $100,750.

Montana Manufactured Housing Program (initiated in September 1992)

The Board of Housing set aside $4.5 million to finance single family manufactured housing installed on a permanent foundation on titled (owned) property. Lot cost, well, and septic can be included in the loan. These are 30-year loans with a 7¾ percent fixed rate of interest for first-time homebuyers or single parents (a separated or divorced person that was co-owner of a house) with annual household income at or below $25,000. The home is to be owner-occupied with not investor involvement. The lot cannot exceed five acres. The maximum mortgage amount is $65,000.

Low-income Housing Preservation and Resident Homeownership Program (Title VI)

The Low-income Housing Preservation and Homeownership Program was authorized in Title VI of the National Affordable Housing Act of 1990. The program provides competitive grants to assure the continuation of Section 221(d)(3) and Section 236 projects, whose low-income use restrictions could otherwise expire after 20 years of the final mortgage endorsement. The grants are financial incentives to retain project-subsidized housing projects, and to encourage sales to purchasers who will keep the property for low-income persons. Resident corporations, owners of low-income housing, nonprofit organization, state or local agencies, or any entity that agrees to maintain low-income affordability restrictions may apply for funding.

Contact person: Richard Fox, Office of Housing, HUD-Denver Regional Office (303) 844-5351.

HOPE 1 (Public Housing Homeownership) Program

The HOPE 1 Program is to assist in providing affordable homeownership for residents of public and Indian housing. HOPE 1 funds are available in three forms: planning grants and implementation grants. Eligible activities for planning grants include:

- replacement housing;
- development of resident councils;
- counseling;
- training and technical assistance;
- underwriting feasibility studies;
- preliminary architectural work; and
- development of security plans.

The maximum planning grant amount is $200,000, and it does not require matching funds. Mini planning grants are available.

With implementation grants, a grantee can fund
- rehabilitation;
- replacement reserves;
- legal fees;
- relocation;
- economic development activities; and
- administrative and operating costs.

Implementation grants support the cost of developing the housing. There is no cap on overall grant amounts, but some eligible activities are capped. This type of grant requires non-federal matching funds. Both grant types are awarded on a competitive basis.

Resident management corporations, resident corporations, cooperative associations, public or nonprofit organizations, public bodies or agencies, Public Housing Authorities, and Indian Housing Authorities are eligible to apply for HOPE 1 grants.

Contact person: HUD-Denver, Office of Public Housing (303) 844-4762.

HOPE 2 (Homeownership of Multifamily Units) Program (Title IV)

The HOPE 2 program was authorized in subtitle B of Title IV of the National Affordable Housing Act of 1990. Program funds are to be used to assist in developing homeownership opportunities for low-income persons by providing planning and implementation grants to organizations that will help families purchase and maintain units in multifamily projects. The projects must be owned by the government, FHA-distressed, or subject to mortgages that are insured or held by HUD. Resident councils, resident management corporations, cooperative associations, mutual housing associations, public or private nonprofit organizations, public housing agencies and Indian housing authorities are eligible to apply. Joint applications may be submitted. Grants are awarded competitively. Planning grants can be no more than $200,000, while mini planning grants may be only $100,000. They can be used for:
- development of resident councils;
- counseling;
- training and technical assistance;
- underwriting feasibility studies;
- preliminary architectural work; and
- development of security plans.

Implementation grants must be matched with non-federal funds that are at least 33 percent of the grant amount. The maximum implementation grant is based on the present published Section 8 Existing Fair Market Rents over a 10-year period. These grants can fund:
- rehabilitation;
- replacement reserves;
- legal fees;
- relocation;
- economic development activities;

- administrative and operating costs; and
- acquisition.

Contact person: Lois Tressler, Office of Housing, HUD-Denver Regional Office (303) 844-4959.

HOPE 3 (Homeownership of Single Family Homes) Program

HOPE 3 provides financial assistance for homeownership. Planning grants may be used for feasibility studies, technical assistance for grant recipients, researching the availability of properties, preparing applications for implementation grants, and program planning. HOPE 3 implementation grants may be used for the following:

- acquiring and rehabilitating property;
- assisting first-time home buyers in purchasing units;
- economic development to promote self-sufficiency of home buyers;
- administrative costs;
- replacement reserves; and
- home buyer outreach selection and counseling.

Eligible sources for housing are single family residential properties currently owned or held by HUD/FHA, VA, RTC, FDIC, DoD, GSA, DoT, FmHA, all other federal agencies, and state or local governments (including their agencies).

HOPE 3 eligible applicants include private nonprofit organizations, public agencies, cities, states, counties, and PHAs or IHAs in cooperation with a private nonprofit or cooperative association. Grants are awarded competitively: planning grants within a national pool, implementation grants in a regional pool. Planning grants cannot exceed $100,000; implementation grants must be under $3 million.

Contact person: David Jacops, Office of Community Planning and Development, HUD-Denver (303) 844-5121.

Energy Programs

Energy program funds are available from the Department of Energy and other agencies. Allocations can be used for rehabilitation and new construction.

A. Weatherization

Energy costs are one of the greatest demands on a low-income family's resources. During Montana's winter, these costs can exceed rental or mortgage costs. The weatherization program administered by the Montana Family Assistance Bureau is 100 percent funded by the Department of Energy and Department of Health and Human Services. The program is designed to help low-income persons reduce their home heating costs and to conserve natural resources. The funds are directed toward local Human Resource Development Councils (HRDCs) and tribal organizations. These organizations decide where the grant money will be spent to install energy

saving measures in the homes of low-income persons. Homes are prioritized based on energy consumption.

Specific measures are decided upon after each home has had an energy audit to determine which activities would be most cost-effective. Measures include insulation, caulking, furnace repair and replacement. All labor and materials are purchased locally. By reducing overall costs, weatherization helps a family stay in their home, increasing family self-sufficiency. Income not spent on utility bills stays in the local economy, as does money spent on labor and materials.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

B. Low Income Energy Assistance Program (LIEAP)

The Family Assistance Division's Low Income Energy Assistance Program (LIEAP) is 100 percent funded from the Department of Health and Human Services. The goal of this program is to assist low-income families in meeting the home heating costs. Funding for each household is determined using a series of matrix tables which factor the household's income, fuel type, size and type of home, and local heating degree days. Payments are made to the household's utility company. Supplemental payments are available for very low-income households. Emergency payments are allowed for unforeseen energy-related events. Up to 15 percent of the block grant may be used for weatherization activities to decrease long-term heating cost problems.

Contact person: Jim Nolan, Family Assistance Division, Dept. of Social and Rehabilitative Services (406) 444-4546.

The following three pages contain CHAS tables 3A and 3B, HOUSEHOLDS AND PERSONS ASSISTED WITH HOUSING and GOALS FOR HOUSEHOLDS TO BE ASSISTED WITH HOUSING, respectively. The tables are in support of the preceding narratives.

CHAS Table 3A

Investment Plan

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Comprehensive Housing Affordability Strategy (CHAS)
Instructions for States

Name of State:
Montana

FY: 1994

	Funding Source	Amount Received by the State Last Fiscal Year ($000s) (A)	Plan to Apply/ Submit (B)	Planned Use of Resources Expected to be Received During the FY: Acquisition (C)	Rehabilitation (D)	New Construction (E)	Rental Assistance (F)	Home Buyer Assistance (G)	Planning (H)	Support Services (I)	Operating Costs (J)	Support Application by Other Entities (K)
A	Formula/Entitlement Programs											
1	HOME	$3,335	X	2%	52%	13%	3%	21%	8%		1%	
2	CDBG $	$1,799	X	2%	70%	18% #	0% #	10%	0%	0%		
3	ESG	$137	X		20%					50%	30%	X
4	HOPWA	Montana is ineligible										
5.	DOE/Other Energy Programs	$10,400	X		90%	10%						
6.	Public Hsg Comprehensive Grant	$0			90%				10%			X
7	Subtotal-Formula Programs	$15,671										
B.	Competitive Programs											
8.	HOME (reallocation)	$0	X	X	X	X	X	X	X		X	
9.	HOPE 1	$0	X	X	X		X	X	X	X		X
10.	HOPE 2	$0	X	X	X		X	X	X	X		X
11.	HOPE 3	$0	X	X	X			X	X	X		X
12.	ESG (reallocation)	$0	X		X					X	X	X
13	Supportive Housing	$803	X	X	X	X	X			X	X	X
14.	HOPWA	$0	X	X	X	X	X		X	X	X	X
15.	Shelter Plus Care	$0	X				X					
16.	Safe Havens	$0	X	X	X					X	X	X

Eligible only under certain circumstances

form HUD-40091-A (1/93)

	Funding Source	Amount Received by the Jurisdiction Last Fiscal Year ($000s) (A)	Plan to Apply/ Submit (B)	Planned Use of Resources Expected to be Received During the FY								Support Application by Other Entities (K)
				Acquisition (C)	Rehabilitation (D)	New Construction (E)	Rental Assistance (F)	Home Buyer Assistance (G)	Planning (H)	Support Services (I)	Operating Costs (J)	
B.	Competitive Programs Continued											
17.	Rural Homeless Housing			X	X		X			X	X	X
18.	Sec. 202 Elderly			X	X	X	X			X		X
19.	Sec. 811 Handicapped			X	X	X	X			X		X
20.	Moderate Rehab SRO						X					X
21.	Rental Vouchers	$7,982					X					X
22.	Rental Certificates	$11,963					X					X
23.	Public Housing Development			X	X	X						X
24.	Public Housing MROP				X							X
25.	Public Housing CIAP				X							X
26.	DOE/Other Energy Programs		X		X	X						
27.	LIHTC		X	X	X	X						X
28.	FmHA			X	X	X	X	X				
29.	Lead-Based Paint Abatement	$0	X		X				X		X	
30.	Other (Section 8 M R)						X					
31.	Subtotal Competitive Programs	$20,748										
C.	32. Total- Federal	$36,419										
	33. Total- State			X	X	X	X	X	X	X	X	
	34 Total- Private			X	X	X	X	X	X	X	X	
35.	Total- All Sources	$36,419										

CHAS Table 3B

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Goals for Households & Persons
to be Assisted with Housing

Comprehensive Housing Affordability Strategy (CHAS)
Instructions for States

Name of State:
Montana

FY:
1994

	Renters					Owners				Homeless				
							1st-Time Homebuyers							
Assistance Provided by Income Group	Elderly 1&2 Member Households (A)	Small Related (2 to 4) (B)	Large Related (5 or more) (C)	All Other Household (D)	Total Renters (E)	Existing Homeowners (F)	with Children (G)	All Others (H)	Total Homeowners (I)	Individuals (J)	Families (K)	Non-Homeless Special Needs (L)	Total Goals (M)	Total Section 215 Goals (N)
1. Very Low-Income (0 to 30% of MFI)*	1,850	2,135	158	4,780	8,923	1,246	95	40	1,381	201	96	100	10,701	1,284
2. Very Low-Income (31 to 50% of MFI)*	1,923	1,961	107	5,540	9,531	2,150	404	172	2,726	388	180	50	12,875	966
3. Other Low-Income (51 to 80% of MFI)*	2,022	1,299	45	42	3,408	2,575	507	195	3,277	465	211	25	7,386	259
4. Total Low-Income (lines 1 + 2 + 3)	5,795	5,395	310	10,362	21,862	5,971	1,006	407	7,384	1,054	487	175	30,962	2,508

* Or based on HUD adjusted income limits, if applicable.

B. OTHER ACTIONS
i. PUBLIC POLICIES

MDOC will continue to provide technical assistance to local government and other entities for the purpose of evaluating and qualifying for housing programs under its control and influence. Half of one staff person's time will continue to be committed to intergovernmental cooperation and application workshops. The application guidelines are designed to promote cooperation between various local entities, in order to overcome the sometimes fragmented areas of responsibility in housing programs.

The role of the State will expand in regard to the provision and interpretation of information that aids localities in determining and quantifying their housing needs, problems, and alternative solutions to those problems. The State also intends to continue supporting the grant and loan applications of other entities which expand the supply of housing and other related services. This support will encompass release of a data handbook and selected Montana Housing Survey tabulations.

Another creative approach to promoting affordable housing has surfaced. Many small localities are unable to raise enough funds to qualify for federal matching fund programs. The Montana Board of Investments (BOI) and MDOC intend to explore ways in which BOI can provide low interest loans to less advantaged communities for the purpose of providing revenues for federal matching fund programs.

The Community Development Bureau of MDOC received a grant to research model zoning standards. It is widely believed that local and some statewide land-use policies are making the provision of affordable housing more difficult than would otherwise be the case. By studying and inspecting alternatives to current Montana policies, the Community Development Bureau hopes to both encourage a broader dialogue regarding more equitable zoning practices and advise local entities on alternatives to these rules and regulations, thereby facilitating the provision of affordable housing.

The State will continue promoting and assisting non-profit organizations and other entities in applying for and receiving certification as Community Housing Development Organizations (CHDOs). This type of organization has the advantage of a 15 percent set-aside of HOME Program funds for qualifying CHDOs.

MDOC recognizes that one of the best ways of facilitating development of housing is through education and technical assistance. Many people perceive that the array of housing programs and regulations is too complex, or too foreign, to master. For example, FmHA housing rehabilitation money is seldom used because some people believe that the application process is restrictively cumbersome. MDOC is determined to expand its role as a provider of technical assistance, helping local jurisdictions to quantify their housing needs, qualify for various housing programs, and better understanding the requirements of various housing

programs. Assistance can be particularly helpful in exploring and determining with some precision the degree and type of local needs.

MDOC, through its Housing Assistance Bureau, has developed a housing program information clearinghouse. The bureau has a database of all housing programs relevant to Montana, whether administered by MDOC or other entities in the state. Other programs related to expanding housing opportunities, emergency shelters, homeless facilities, and other programs and services in support of housing are being researched and planned for inclusion with the data system.

ii. INSTITUTIONAL STRUCTURE

Nearly all state-administered housing assistance programs are handled by the Department of Commerce (MDOC), primarily within the Board of Housing, the Community Development Bureau, and the Housing Assistance Bureau. As lead agency, the Housing Assistance Bureau will continue to develop the CHAS, to manage and coordinate its many related housing programs, and to promote the interaction and coordination of agencies and entities involved in providing affordable housing. To do this successfully, the MDOC established the Housing Assistance Bureau as the lead agency to carry the responsibility for development of future CHAS planning and the management and coordination of many housing programs.

Another avenue the State wishes to explore in greater detail is coordination with the private sector. Many banks, savings and loans, and other financial organization involved in housing are interested in taking advantage of federally assisted housing improvement programs in meeting requirements of the Federal Community Reinvestment Act (CRA). One federally assisted program is the Montana Community Development Block Grant (CDBG) Program, where local governments apply for grant funds in annual competition to fund housing projects involving the rehabilitation of homes owned or rented by low- or moderate-income families, along with activities to improve the neighborhood in which the housing rehabilitation is taking place. CDBG funds can play a key role in leveraging. Following a plan such as this helps to create a pool of funds for rehabilitation loans at below market interest rates.

MDOC will continue communicating and coordinating activities with other agencies throughout the year. These actions assist in identification of areas for which further communication and cooperation may be needed and can help to identify gaps in the institutional provision of services. This has included application workshops for CDBG funding, information dissemination regarding the Community Reinvestment Act, advice to non-profit entities on how to become certified as a Community Housing Development Organizations (CHDO), and support for other entities in their application processes for funding of various programs.

The Housing Assistance Bureau will begin to explore methods that both state and local government can implement in support of affordable housing. For example, one idea to consider is the extent to which legal ability resides with the local government in the transfer of tax deed properties to non-profit entities for the purpose of promoting affordable housing. Other

questions may include the degree of stimulation in property tax revenues generated, and other pay back issues.

MDOC recognizes that housing policy and housing program responsibilities are often fragmented across a variety of agencies and organizational entities throughout both the state and federal government. To aid in resolving these complications, MDOC supports the established "team', comprised of other government and citizen participants, to aid in directing and solving housing problems facing the State. MDOC will support continuation of such an entity for the State's housing policy formation and the development of broader-based constituencies researching and analyzing housing problems facing the State.

The State has been able to collect some data pertaining to the size and needs of the non-homeless persons with special needs. However, much of it is general in nature, only. MDOC will be looking to the steering committee for input in the development and specification of goals in serving this in-need population. Furthermore, MDOC supports the prospective participation of individuals representing the interests of the developmentally disabled, correctional institutions, and other advocates representing non-homeless with special needs populations.

The Community Reinvestment Act (CRA) has stimulated the involvement of for-profit organizations in the provision of affordable housing. One example of CRA's work is the Community Home Ownership Program of Norwest Bank. Ten million dollars has been allocated by Norwest Banks in Montana and Wyoming to be used for home mortgage loans. The loans are available to people in Norwest Bank-designated market areas in Montana for purchasing single-family, owner-occupied residential units. The bank's program provides a low down payment, no discount points, low loan origination fees, and competitive interest rates on home mortgage loans. The loans are available only to families earning no more than 115 percent of the HUD-determined median income for the area, or $30,000. These benefits help make home ownership possible for some low- and moderate-income Montanans.

iii. LOW INCOME HOUSING TAX CREDIT (LIHTC)

The Low Income Housing Tax Credit (LIHTC) is available under Section 42 of the Internal Revenue Code of 1986. It was permanently authorized during FY 1993. The credit is a federal income tax credit for owners of qualifying rental housing which meets certain low-income occupancy and rent limitation requirements.

Except for certain buildings substantially financed with tax-exempt bonds, an owner must first obtain a credit allocation from the appropriate State agency before claiming the tax credit. The amount of tax credit which may be allocated annually for housing within each state is limited to $1.25 per State resident. The Montana Board of Housing allocates the tax credit for housing located in the State.

The tax credit is available for residential rental buildings which are part of a qualifying low-income project. The rental units must be available to the general public. Residential

properties which were ineligible for the credit generally include transient housing (housing initially leased for less than six months), building of four units or less which are occupied by the owner or a relative of the owner, nursing homes, life care facilities, retirements homes providing significant service other than housing, dormitories, and trailer parks.

The tax credit is used in conjunction with the acquisition and substantial rehabilitation or construction of qualifying residential rental housing. Gross rent for each low-income unit cannot exceed 30 percent of the applicable income ceiling. Gross rent includes the rent paid by the tenant, including utility costs, but excludes Section 8 or other federal rent subsidies. If the tenant pays utilities directly, the minimum rent is reduced by a utility allowance.

The LIHTC Program facilitates the provision of affordable housing to the residents of Montana. Project selection criteria include serving low-income tenants, projects located in distressed or hard-to-develop areas, projects that meet the area's housing needs and priorities, projects serving tenant populations with special housing needs, and projects corresponding to areas with long assisted-housing waiting lists.

iv. PUBLIC HOUSING RESIDENT INITIATIVES

The State of Montana has no public housing directly under its control. Therefore, it has no Public Housing Resident Initiatives, or management discussion to offer. However, the State feels that conversion of public housing to owner-occupied housing is desirable, as long as the number of public housing units expands accordingly.

v. LEAD-BASED PAINT HAZARD REDUCTION

Montana programs related to control of lead-based paint hazards are in their infancy at the present time. The Montana Department of Health and Environmental Sciences (MDHES) has requested funds in the amount of $340,928 from the Department of Health and Human Services Centers for Disease Control under the State and Community-Based Childhood Lead Poisoning Prevention Program. Funding for the program's first year has been secured. Funding for subsequent years is contingent upon the initial success of the program. The funds will be used for the Montana Childhood Lead Poisoning Prevention Program. This program will be initiated by the Butte-Silverbow Health Department, under contract to MDHES.

The Montana Childhood Lead Poisoning Prevention Program will entail the creation of local programs within the communities thought to have the highest at-risk population: Great Falls and Missoula. The program would eventually incorporate other major cities not served and access for rural areas through the urban program. Activities for the first year include the launching of a statewide education and outreach effort, organizing the program in these two cities, and demonstrating a rural outreach model, accessing areas of southwestern Montana through the existing program in Butte. The first six months would be spent in selecting and training community staffs and launching the education program in each area. Screening,

environmental assessments, and environmental and medical management would begin after the first six months.

Long-term funding for the program could be provided through a fee system for both screening and environmental assessment. The fees would begin in the second year of the program as the Butte program has shown fees to deter parents from having their children tested unless a definite need has been established. Other potential sources for funding are private and public community resources.

In addition to the Childhood Lead Poisoning Prevention Program, the Occupational and Radiological Health Bureau in the State Department of Health is in the early stages of creating a program to certify training courses for workers, supervisors, and inspectors of lead-based paint evaluation sites. They are currently studying the programs in place in other States and developing a funding proposal. By spring 1994, the EPA intends to have a set of regulations to guide the certification process for training courses.

HIGH RISK AREAS

The Butte Lead Program staff developed a process in order to identify areas of high risk for lead poisoning of children. Seven Montana cities were ranked according to these indicators:

- Percentage of children in the age group 0-5 assigned poverty status;[47]
- Total number of children in age group 0-6;
- Poverty rate; and
- Percentage of homes built prior to 1960.

A score of 1 indicated the highest risk, 7 the lowest. Great Falls and Missoula, the cities with the lowest scores, were identified as high risk areas. Butte also demonstrated a high risk but has a program already in place. Table 3.1 (below) presents the scores of each city.

Pre-1940 housing units, those most likely to contain lead-based paint, make up 17.1 percent of the total housing units in Montana. Of those units built before 1940, 25.4 percent are occupied by very low-income renters. Older rental units have higher rates of lead poisoning than do pre-1940 owner-occupied units. Of all renter households, about 58,010 are estimated to have lead-based paint. For owner-occupied households, 92,189 are estimated to have lead-based paint. This is not an indication of the number of households with a lead-based paint hazard; it is merely those most at risk. The findings of initial Superfund-related study by the Butte-Silverbow Health Department, when applied to the State, indicate that approximately 8,500 children may currently be at risk of lead poisoning.

[47] While the target age group is 0 to 6, data related to poverty status by age group is presented in five-year increments.

TABLE 3.1
DATA FOR IDENTIFYING HIGH RISK AREAS

COMMUNITY	% CHILDREN 0-5 BELOW POVERTY	RANK	CHILDREN 0-6	RANK	POVERTY RATE	RANK	% HOUSES BUILT PRE-1960	RANK	TOTAL RANK
Billings	15.5%	6	8,459	1	12.7%	6	39%	6	19
Bozeman	23.3%	1	1,814	6	20.6%	1	42%	5	13
Butte	19.1%	4	3,227	4	15.0%	3	66%	1	12
Great Falls	20.4%	3	5,856	2	13.9%	4	52%	2	11
Helena	17.5%	5	2,374	5	11.0%	8	52%	3	20
Kalispell	14.2%	7	1,141	7	13.8%	5	17%	7	26
Missoula	23.2%	2	3,994	3	17.5%	2	50%	4	11

OTHER CURRENT PROGRAMS

East Helena has a lead program which is relatively small, screening approximately 50 children annually in the East Helena area only. The program is funded by ASARCO and is part of the Lewis and Clark County Health Department.[48] Statistics relating to the East Helena Lead Program's blood screening activities are presented in Table 3.2 (below).

TABLE 3.2
LEWIS AND CLARK COUNTY
OCTOBER 1991 THROUGH NOVEMBER 1992

(in µg/dL)

	<5	5-9	10-14	15-19	20+
Results of Children Screened	11	7	6	-	-
Results of Children Monitored[49]	1	5	7	2	-

The Butte Childhood Lead Poisoning Prevention Program, mentioned above, is a comprehensive program funded by the Atlantic Richfield Corporation (ARCO). The Butte program began as a result of Superfund-related activities and is part of the Butte-Silver Bow County Health Department. The $116,000 supplied annually by ARCO is used to support two full-time staff positions as well as screening activities, lab support, and environmental investigations. The Butte program has screened approximately 1,000 children in its first two years of operation. Under contract to MDHES, the Butte Lead Program coordinator and clinical technician have begun two days of preliminary statewide screening in each of 12 counties. The data from that sampling are presented in Table 3.3, below.

[48] The East Helena Lead Program began in conjunction with an overall environmental investigation associated with area smelting activities.

[49] Monitoring is to evaluate status of previously established elevated levels.

TABLE 3.3
BLOOD LEAD LEVELS IN CHILDREN
OCTOBER 21, 1992
(in $\mu g/dL$)

County	<5	5-9	10-14	15-19	20+
Beaverhead County	19	14	3	0	0
Cascade County	17	14	5	2	0
Deer Lodge County	9	10	0	0	0
Jefferson County	0	1	2	0	0
Lake County	0	0	0	0	0
Madison County	3	2	1	1	0
Missoula County	27	7	1	0	0
Powell County	26	12	1	0	0
Ravalli County	0	0	1	0	0
Silver Bow County[50]	80	88	52	12	2
Yellowstone County	19	20	1	0	0
TOTAL	200	168	67	15	2

The Butte program includes a Lead Levels Advisory Committee with representatives from county government, the private non-profit sector, the local university, physicians, and citizens. The model set up with this committee is intended to be used for the statewide program.

The community program began as a result of concerns about lead contaminants in the soil from mining and smelting activities in southwestern Montana. Initial findings of attempts to study the mining-lead contaminants issue in the Butte area have suggested that lead-based paint poses a far greater threat. Therefore, Butte's local program on lead poisoning prevention now focuses on housing-related lead hazards.

C. ANTI-POVERTY STRATEGY

A major initiative the State plans for its anti-poverty strategy is the formation of a welfare reform task force to examine the design and operation of public assistance programs with a goal of examining and identifying the circumstance that result in people living in poverty and needing welfare assistance and exploring alternatives to the current programs through in depth review of welfare theories and reform efforts nationally. It will also develop a comprehensive reform proposal that will meet the basic needs of recipients and provide resources necessary to maximize each recipients's opportunity to achieve independence.

D. COORDINATION EFFORTS

Many banks, savings and loans, and other financial organizations involved in housing are interested in taking advantage of federally assisted housing improvement programs in order to meet the requirements of the Federal Community Reinvestment Act (CRA). One of the federally assisted programs is the Montana CDBG Program, where local governments can apply for grant funds in annual competition to fund housing projects. Projects may involve rehabilitation of

[50] Blood lead levels were averaged for clients having multiple venipuncture specimens.

homes owned or rented by low- or moderate-income families, as well as activities that improve the neighborhood in which the housing rehabilitation is taking place. CDBG funds play a key role in leveraging. This creates a pool of funds for rehabilitation loans at below market interest rates.

MDOC also has been communicating and coordinating activities with other agencies throughout the entire year. This assists in the identification of areas for which further communication and cooperation may be needed and helps to identify gaps in the institutional provision of services. Activities included application workshops for CDBG funding, information dissemination regarding the Community Reinvestment Act, advice to non-profit agencies and prospective non-profit entities on how to become certified as a Community Housing Development Organization (CHDO), and support for other entities in their application processes for the funding of various programs.[51]

[51] For example, the Community Development Bureau assisted the City of Kalispell in forming an alliance with the Federal Home Loan Bank of Seattle. The bureau's role was to emphasize the widespread strength that the program had throughout the state and MDOC.

E. CERTIFICATIONS

FAIR HOUSING

The State hereby certifies that it will affirmatively further fair housing.

Signature of Authorized Official

X______________________________

RELOCATION AND ANTIDISPLACEMENT

The State hereby certifies that it has in effect and is following a residential antidisplacement and relocation assistance plan that, in the case of any such displacement in connection with any activity assisted with funds provided under the HOME Program, requires the same actions and provides the same rights as required and provided under section 104(d) of the Housing and Community Development Act of 1974 in the event of displacement in connection with a development project assisted under section 106 or 119 of such Act.

Signature of Authorized Official

X______________________

F. SUMMARY OF CITIZEN COMMENTS

Comments received during the public review process will be summarized and submitted to HUD.

GLOSSARY

Abatement -- Any set of measures designed to permanently eliminate lead-based paint hazards in accordance with standards established by appropriate federal agencies. This may include removal of contaminated paint or dust, replacement of lead-contaminated surfaces or fixtures, the permanent containment or encapsulation of lead-contaminated paint, and the removal or covering of lead-contaminated soil. (Spring Training)

Affordable Housing (Section 215) -- The definition varies depending on the type of housing.

Rental housing -- Occupied by a low-income person ($\leq$ 80% of MI) and bears the lessor of the Section 8 Existing FMRs and 30 percent of adjusted income of a family whose income equals 65 percent of the MI. (This definition is the same as the HOME program's "High Home Rents.")

Homeownership -- Purchaser must be a low-income, first-time homebuyer, use home as a principle residence, and have a sales prices not exceeding the 203(b) limits. (The definition is the same as that used in the HOME program.)

Existing owner rehabilitation -- Existing owner must be low income, use home as principle residence, value after rehab may not exceed the 203(b) mortgage limits. (The definition is the same as that used in the HOME program.)

AIDS or Related Diseases -- The disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for AIDS including infection with the human immunodeficiency virus (HIV).

Alcohol/Other Drug Abuse (AODA) -- Excessive and impairing use of alcohol or other drugs, including addiction. AODA is measured by reports of a history of inpatient treatment, current symptomatology, current intake, and any combination of these.

Assisted Household or Person -- A household or person is assisted if, during the federal fiscal year, they receive benefits through the investment of federal funds (or federal funds used with other funds). The definition is broken down further:

New tenant -- The household or person takes occupancy of housing newly built, acquired, or rehabilitated, and/or receives rental assistance through new budget authority.

Existing tenant -- The acquisition and/or rehabilitation is completed during the year; a tenant receives rental assistance through new budget authority.

Existing homeowner -- The home's rehabilitation is completed during the year.

First-time homebuyer -- The home is purchased (e.g. loan is closed) during the year.

Homeless person -- The person becomes an occupant of transitional or permanent housing during the year.

Non-homeless person with special needs -- The person is considered assisted only if the provision of supportive services is linked to the acquisition, rehabilitation, or new construction of a housing unit and/or the provision of rental assistance during the year.

Households or persons who will benefit from more than one program activity must be counted only once. To be included in the goals, the housing unit must, at a minimum, satisfy the HUD Section 8 Housing Quality Standards (see 24 CFR section 882.109).

Census Designated Place -- Densely settled concentrations of population that are identifiable by name, but are not legally incorporated places. Three population size criteria are used to designate a CDP:

1. 1,000 or more persons if outside the boundaries of an urbanized area (UA);
2. 2,500 or more persons if inside the boundaries of a UA; and
3. 250 or more persons if outside the boundaries of a UA and within the official boundaries of an American Indian reservation.

Committed -- Generally means there has been a legally binding commitment of funds to a specific project to undertake specific activities.

Consistent with the CHAS -- A determination made by the state that a program application meets the following criteria: the Annual Plan for that fiscal year's funding indicates the state planned to apply for the program or was willing to support an application by another entity for the program; the location of activities is consistent with the geographic areas specified in the plan; and the activities benefit a category of residents for which the state's five-year strategy shows a priority.

Cost Burden > 30 percent -- The extent to which gross housing costs, including utility costs, exceed 30 percent of gross income, based on data published by the U.S. Census Bureau.

Cost Burden > 50 percent (Severe Cost Burden) -- The extent to which gross housing costs, including utility costs, exceed 50 percent of gross income, based on data published by the U.S. Census Bureau.

Developmentally Disabled -- Persons scoring at least two standard deviations below the mean on standardized intelligence tests are defined as developmentally disabled. (mean IQ = 70)

Disabled Household -- A household composed of one or more persons at least one of whom is an adult (a person of at least 18 years of age) who has a disability. A person shall be considered to have a disability if the person is determined to have a physical, mental, or emotional impairment that: (1) is expected to be of long-continued and indefinite duration, (2) substantially impedes his or her ability to live independently, and (3) is of such a nature that the ability could be improved by more suitable housing conditions. A person shall also be considered to have a disability if he or she has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6006). The term also includes the surviving member or members of any household described in the first sentence of this paragraph who were living in an assisted unit with the deceased member of the household at the time of his or her death.

Economic Independence and Self-Sufficiency Programs -- Programs undertaken by Public Housing Agencies (PHAs) to promote economic independence and self-sufficiency for participating families. Such programs may include Project Self-Sufficiency and Operation Bootstrap programs that originated under earlier Section 8 rental certificate and rental voucher initiatives, as well as the Family Self-Sufficiency program. In addition, PHAs may operate locally developed programs or conduct a variety of special projects designed to promote economic independence and self sufficiency.

Elderly Household -- For HUD rental programs, a one- or two-person household in which the head of the household or spouse is at least 62 years of age.

Elderly Person -- A person who is at least 62 years of age.

Existing Homeowner -- An owner-occupant of residential property who holds legal title to the property and who uses the property as his/her principal residence.

Family -- See definition in 24 CFR 812.2 (The National Affordable Housing Act definition required to be used in the CHAS rule differs from the Census definition). The Bureau of Census defines a family as a householder (head of household) and one or more other persons living in the same household who are related by birth, marriage or adoption. The term "household" is used in combination with the term "related" in the CHAS instructions, such as for Table 2, when compatibility with the census definition of family (for reports and data available from the census based upon that definition) is dictated. See also "Homeless Family."

Family Self-Sufficiency (FSS) Program -- A program enacted by Section 554 of the National Affordable Housing Act which directs Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to use Section 8 assistance under the rental certificate and rental voucher programs, together with public and private resources to provide supportive services, to enable participating families to achieve economic independence and self-sufficiency.

Federal Preference for Admission -- Preference given to otherwise eligible applicants under HUD's rental assistance programs who, at the time they seek housing assistance, are involuntarily displaced, living in substandard housing, or paying more than 50 percent of family income for rent. See, for example, 24 CFR 882.219.

First-Time Home Buyer -- An individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home that must be used as the principal residence of the home buyer, except that any individual who is a displaced homemaker (as defined in 24 CFR 92) or a single parent (as defined in 24 CFR 92) may not be excluded from consideration as a first-time home buyer on the basis that the individual, while a homemaker or married, owned a home with his or her spouse or resided in a home owned by the spouse.

FmHA -- The Farmers Home Administration, or programs it administers.

For Rent -- Year-round housing units which are vacant and offered/available for rent. (U.S. census definition)

For Sale -- Year-round housing units which are vacant and offered/available for sale only. (U.S. census definition)

Frail Elderly -- An elderly person who is unable to perform at least three activities of daily living (i.e., eating, dressing, bathing, grooming, and household management activities). (See 24 CFR 889.105.)

Group Quarters -- Facilities providing living quarters that are not classified as housing units. (U.S. census definition). Includes prisons, nursing homes, dormitories, military barracks, and shelters.

HOME -- HOME Investment Partnerships Program, authorized by the National Affordable Housing Act, Title II.

Homeless -- Persons sleeping in shelters or in places not meant for human habitation.

Homeless Family -- Family that includes at least one parent or guardian and one child under the age of 18, a homeless pregnant woman, or a homeless person in the process of securing legal custody of a person under the age of 18 who is living in situations described by terms "sheltered" or "unsheltered."

Homeless Individual -- An unaccompanied youth (17 years or younger) or an adult (18 years or older) without children who is living in situations described by terms "sheltered" or "unsheltered."

Homeless Youth -- Unaccompanied person 17 years of age or younger who is living in situations described by terms "sheltered" or "unsheltered."

HOPE 1 -- The HOPE for Public and Indian Housing Homeownership Program, authorized by Title IV, Subtitle A of the National Affordable Housing Act.

HOPE 2 -- The HOPE for Homeownership of Multifamily Units Program, authorized by Title IV, Subtitle B of the National Affordable Housing Act.

HOPE 3 -- The HOPE for Homeownership of Single Family Homes Program, authorized by Title IV, Subtitle C of the National Affordable Housing Act.

Household -- One or more persons occupying a housing unit (U.S. census definition). See also "Family."

Housing Problems -- Households that (1) occupy units meeting the definition of physical defects; (2) meet the definition of overcrowded; and (3) meet the definition of cost burden greater than 30 percent.

Housing Unit -- An occupied or vacant house, apartment, or a single room (SRO housing) that is intended as separate living quarters. (U.S. census definition)

Institutions/Institutional -- Group quarters for persons under care or custody. (U.S. census definition)

Large Related -- A household of five or more persons which includes at least one person related to the householder by blood, marriage or adoption.

Lead-Based Paint -- HUD thresholds or action levels for abating lead-based paint are one milligram per square centimeter (1 mg/cm^2) or 0.5% by weight.

Lead-Based Paint Hazard -- Any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects as established by the appropriate federal agency. Lead-Based Paint Hazard Reduction Act of 1992 definition.

LIHTC -- (Federal) Low Income Housing Tax Credit.

Low Income -- Households whose incomes do not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. NOTE: HUD income limits are updated annually and are available from local HUD offices. This term corresponds to low- and moderate-income households in the CDBG Program.

Moderate Income -- Households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families. HUD may establish income ceilings higher or lower than 95 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. This definition is different from that of the CDBG Program.

Moderate physical problems -- Plumbing. On at least three occasions during the last 3 months, or while the household was living in the unit if less than 3 months, all the flush toilets were broken down at the same time for 6 hours or more. Heating. Having unvented gas, oil, or kerosene heaters as the primary heating equipment. Upkeep. Having any three of these six upkeep problems: water leaks from the outside, such as from the roof, basement, windows or doors; leaks from inside structure such as pipes or plumbing fixtures; holes in the floors; holes or open cracks in the walls or ceilings; more than 8 inches of peeling paint or broken plaster; or signs of rats or mice in the last 90 days. Hallways. Having any three of these four hallway problems: no working light fixtures; loose or missing steps; loose or missing railings; and no elevator. Kitchen. Lacking a kitchen sink, refrigerator, or burners inside the structure for the exclusive use of the unit.

Moderate Rehabilitation -- Rehabilitation that involves costs that are less than or equal to 75 percent of the value of the building after rehabilitation. (Federal Register, July 20, 1992, pg. 32112, HOPWA)

Non-Elderly Household -- A household which does not meet the definition of "Elderly Household," as defined above.

Non-Homeless Persons with Special Needs -- Includes elderly, frail elderly, severe mental illness, developmentally disable, physically disabled, persons with alcohol/drug addiction, persons with AIDS or related diseases, and families participating in organized programs to achieve economic self-sufficiency.

Non-Institutional -- Group quarters for persons not under care or custody. (U.S. census definition used)

Occupied Housing Unit -- A housing unit that is the usual place of residence of the occupant(s).

Other Household -- A household of one or more persons that does not meet the definition of a small related household, large related household, or elderly household.

Other Income -- Households whose incomes exceed 80 percent of the median income for the area, as determined by the secretary of HUD, with adjustments for smaller and larger families.

Other Low-Income -- Households whose incomes are between 51 percent and 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. This term corresponds to moderate-income in the CDBG Program.

Other Vacant -- Vacant year-round housing units that are not for rent or for sale, including units awaiting occupancy or held.

Overcrowded -- A housing unit containing more than one person per room. (U.S. census definition)

Owner -- A household that owns the housing unit it occupies. (U.S. census definition)

Physical Defects -- A housing unit lacking complete kitchen or bathroom. (U.S. census definition)

Physically Disabled -- Persons with an illness or impairment which impedes his/her ability to function independently.

Primary Housing Activity -- A means of providing or producing affordable housing -- such as rental assistance, production, rehabilitation or acquisition -- that will be allocated significant resources and/or pursued intensively for addressing a particular housing need. See also "Secondary Housing Activity."

Project-Based (Rental) Assistance -- Rental assistance provided for a project, not for a specific tenant. Tenants receiving project-based rental assistance give up the right to that assistance upon moving from the project.

Public Housing CIAP -- Public Housing Comprehensive Improvement Assistance Program.

Public Housing MROP -- Public Housing Major Reconstruction of Obsolete Projects.

Rehabilitation -- The improvement or repair of an existing structure, or an addition to an existing structure that does not increase the floor area by more than 100 percent. (Federal Register, July 20, 1992, pg. 32112, HOPWA)

Rent Burden > 30 percent (Cost Burden) -- The extent to which gross rents, including utility costs, exceed 30 percent of gross income, based on data published by the U.S. Census Bureau.

Rent Burden > 50 percent (Severe Cost Burden) -- The extent to which gross rents, including utility costs, exceed 50 percent of gross income, based on data published by the U.S. Census Bureau.

Rental Assistance -- Rental assistance payments provided as either project-based rental assistance or tenant-based rental assistance.

Renter -- A household that rents the housing unit it occupies, including both units rented for cash and units occupied without cash payment of rent. (U.S. census definition)

Renter-Occupied Unit -- Any occupied housing unit that is not owner-occupied, including units rented for cash and those occupied without payment of cash rent.

Rural Homelessness Grant Program -- Rural Homeless Housing Assistance Program, which is authorized by Subtitle G, Title IV of the Stewart B. McKinney Homeless Assistance Act.

Secondary Housing Activity -- A means of providing or producing affordable housing--such as rental assistance, production, rehabilitation or acquisition -- that will receive fewer resources and less emphasis than primary housing activities for addressing a particular housing need. See also "Primary Housing Activity."

Section 215 -- Section 215 of Title II of the National Affordable Housing Act: the section which cont. .ns the CHAS provisions. Section 215 defines "affordable" housing projects under the HOME Program. See "Affordable Housing."

Service Needs -- The particular services identified for special needs populations, which typically may include transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services to prevent premature institutionalization and assist individuals to continue living independently.

Severe Cost Burden -- See Cost Burden > 50 percent.

Severe Mental Illness -- Includes the diagnoses of psychoses (e.g. schizophrenia) and the major affective disorders (e.g. bipolar, major depression). This does not include those diagnosed with organic disorders. It must be chronic, having existed for at least one year. SMI significantly limits a person's ability to live independently. This definition is different from that of the National Institute on Mental Health.

Severe physical problems -- Plumbing. Lacking hot or cold piped water or a flush toilet, or lacking both bathtub and shower, all inside the structure for the exclusive use of the unit. Heating. Having been uncomfortably cold last winter for 24 hours or more because the heating equipment broke down, and it broke down at least three times last winter for at least 6 hours each time. Electric. Having no electricity or all of the following three electric problems: exposed wiring; a room with no working wall outlet; and three blown fuses or tripped circuit breakers in the last 90 days. Upkeep. Having any five of the six maintenance problems listed above; Hallways. Having all of the four problems listed above in public areas.

Sheltered -- Families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter, including emergency shelters, transitional housing for the homeless, domestic violence shelters, residential shelters for runaway and homeless youth, and any hotel/motel/apartment voucher arrangement paid because the person is homeless. This term does not include persons living doubled up or in overcrowded or substandard conventional housing. Any facility offering permanent housing is not a shelter, nor are its residents homeless.

Shelters -- Residences that do not provide the opportunity for continuous tenancy, including overnight facilities vacated each day, hotels and other places provided for a temporary stay using "vouchers" or "chits," transitional shelters (maximum stay is up to two years).

Small Related -- A household of two to four persons which includes at least one person related to the householder by birth, marriage, or adoption.

Substandard Condition and not Suitable for Rehab -- By local definition, dwelling units that are in such poor condition as to be neither structurally nor financially feasible for rehabilitation.

Substandard Condition but Suitable for Rehab -- By local definition, dwelling units that do not meet standard conditions but are both financially and structurally feasible for rehabilitation. This does not include units that require only cosmetic work, correction or minor livability problems, or maintenance work.

Substantial Amendment -- A major change in an approved housing strategy. It invokes a change to the five-year strategy, which may be occasioned by a decision to undertake activities or programs inconsistent with that strategy.

Substantial Rehabilitation -- Rehabilitation of residential property at an average cost for the project in excess of $25,000 per dwelling unit; or rehabilitation that involves costs in excess of 75 percent of the value of the building after rehabilitation.[52]

Supportive Housing -- Housing, including housing units and group quarters, that have a supportive environment and includes a planned service component.

Supportive Service Need in FSS Plan -- The plan that PHAs administering a Family Self-Sufficiency program are required to develop to identify the services they will provide to participating families and the source of funding for those services. The supportive services may include child care; transportation; remedial education; education for completion of secondary or post-secondary schooling; job training, preparation and counseling; substance abuse treatment and counseling; training in homemaking and parenting skills; money management and household management; counseling in home ownership; job development and placement; follow-up assistance after job placement; and other appropriate services.

Supportive Services -- Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, child care, transportation, and job training.

Tenant-Based (Rental) Assistance -- A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Total Vacant Housing Units -- Unoccupied year-round housing units. (U.S. census definition)

Unsheltered -- Families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., streets, parks, alleys).

Vacant Awaiting Occupancy or Held -- Vacant year-round housing units that have been rented or sold and are currently awaiting occupancy, and vacant year-round housing units that are held by owners or renters for occasional use. (U.S. census definition)

Vacant Housing Unit -- Unoccupied year-round housing units that are available or intended for occupancy at any time during the year.

Very Low Income -- Households whose incomes do not exceed 50 percent of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low

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[52] The first definition is from Appendix A of HUD's Instructions for developing and Completing a Five-Year CHAS. The second is from the *Federal Register*, July 20, 1992, pg. 32112, regulations for the Housing Opportunities for Persons with AIDS Program.

incomes or where needed because of prevailing levels of construction costs or fair market rents. This term corresponds to low-income households in the CDBG Program. For the purpose of further distinguishing needs within this category, two subgroups (0 to 30 percent and 31 to 50 percent of MFI) have been established in the CHAS tables and narratives.

Worst-Case Needs -- Unassisted, very low-income renter households who pay more than half or their income for rent, live in seriously substandard housing (which includes homeless people) or have been involuntarily displaced.

Year-Round Housing Units -- Occupied and vacant housing units intended for year-round use. (U.S. census definition.) Housing units for seasonal or migratory use are excluded.

APPENDIX A
MONTANA HOUSING SURVEY

SURVEY INSTRUMENTS

MONTANA HOUSING SURVEY

INSTRUCTIONS: Please answer all the following questions. Place a "✓" or an "x" in the boxes that best represent your opinion or situation.

PART 1 -- YOUR COMMUNITY'S HOUSING

For many of the following questions, we would like to know how many homes you think are available and how expensive these may be. We also want to know your opinion about whether these homes are in good physical shape (suitable for living) and whether they are usable, or "accessible," for handicapped persons. Please check only one box for each question.

1. The *availability* of rental housing in your community is
Plentiful .... Very short
1 1☐ 1 2☐ 1 3☐ 1 4☐ 1 5☐ 1 6☐ 1 7☐

2. The *affordability* of rental housing in your community is
Very expensive .... Very underpriced
2 1☐ 2 2☐ 2 3☐ 2 4☐ 2 5☐ 2 6☐ 2 7☐

3. The *accessibility* of rental housing for handicapped or disabled persons is
Very accessible .... Not accessible
3 1☐ 3 2☐ 3 3☐ 3 4☐ 3 5☐ 3 6☐ 3 7☐

4. The *suitability* of rental housing in your community is
Good shape .... Poor shape
4 1☐ 4 2☐ 4 3☐ 4 4☐ 4 5☐ 4 6☐ 4 7☐

5. The *availability* of for-sale owner-occupied housing in your community is
Plentiful .... Very short
5 1☐ 5 2☐ 5 3☐ 5 4☐ 5 5☐ 5 6☐ 5 7☐

6. The *affordability* of owner-occupied housing in your community is
Very expensive .... Very underpriced
6 1☐ 6 2☐ 6 3☐ 6 4☐ 6 5☐ 6 6☐ 6 7☐

7. The *accessibility* of for sale owner-occupied housing for the handicapped or disabled is
Very accessible .... Not accessible
7 1☐ 7 2☐ 7 3☐ 7 4☐ 7 5☐ 7 6☐ 7 7☐

8. The *suitability* of owner-occupied housing in your community is
Good shape .... Poor shape
8 1☐ 8 2☐ 8 3☐ 8 4☐ 8 5☐ 8 6☐ 8 7☐

9. What major factors affect the ability of persons to buy homes in your area? 9 1________

10. Do you think building regulations adversely affect the *availability* of housing in your area?
10 1☐ Yes 10 2☐ No

10A. Do you think zoning regulations adversely affect the *availability* of housing in your area?
10A 1☐ Yes 10A 2☐ No

11. Do you think building regulations adversely affect the *affordability* of housing in your area?
11 1☐ Yes 11 2☐ No

11A. Do you think zoning regulations adversely affect the *affordability* of housing in your area?
11A 1☐ Yes 11A 2☐ No

12. What things might best facilitate solving your area's housing problems? 12 1________

PART 2 -- HOUSING NEED IN YOUR AREA

Consider only your local community. Indicate how much need each of the following groups has for better housing.

1. Please indicate how much need each of the following groups have for better housing:

1A. Elderly (those over 65 years of age)
Severe need .... No need
1A 1☐ 1A 2☐ 1A 3☐ 1A 4☐ 1A 5☐ 1A 6☐ 1A 7☐

1B. Mentally or Physically Disabled
Severe need .... No need
1B 1☐ 1B 2☐ 1B 3☐ 1B 4☐ 1B 5☐ 1B 6☐ 1B 7☐

1C. Homeless
Severe need .... No need
1C 1☐ 1C 2☐ 1C 3☐ 1C 4☐ 1C 5☐ 1C 6☐ 1C 7☐

1D. AIDS or HIV Infected
Severe need .... No need
1D 1☐ 1D 2☐ 1D 3☐ 1D 4☐ 1D 5☐ 1D 6☐ 1D 7☐

1E. Alcohol or Drug Addicted
Severe need .... No need
1E 1☐ 1E 2☐ 1E 3☐ 1E 4☐ 1E 5☐ 1E 6☐ 1E 7☐

1F. Please identify other groups in need of housing in your area. 1F 1________

2. Please indicate how much each of these types of housing programs are needed:

2A. Repair and maintenance assistance
Extreme need .... No need
2A 1☐ 2A 2☐ 2A 3☐ 2A 4☐ 2A 5☐ 2A 6☐ 2A 7☐

2B. Rental assistance
Extreme need .... No need
2B 1☐ 2B 2☐ 2B 3☐ 2B 4☐ 2B 5☐ 2B 6☐ 2B 7☐

2C. Construction of low-rent rental units
Extreme need . . . . No need
2C 1☐ 2C 2☐ 2C 3☐ 2C 4☐ 2C 5☐ 2C 6☐ 2C 7☐

2D. Rehabilitation of rental units
Extreme need . . . . No need
2D 1☐ 2D 2☐ 2D 3☐ 2D 4☐ 2D 5☐ 2D 6☐ 2D 7☐

2E. Construction of affordable new single family units
Extreme need . . . . No need
2E 1☐ 2E 2☐ 2E 3☐ 2E 4☐ 2E 5☐ 2E 6☐ 2E 7☐

2F. Rehabilitation of single family units
Extreme need . . . . No need
2F 1☐ 2F 2☐ 2F 3☐ 2F 4☐ 2F 5☐ 2F 6☐ 2F 7☐

2G. Low-rent group care for elderly
Extreme need . . . . No need
2G 1☐ 2G 2☐ 2G 3☐ 2G 4☐ 2G 5☐ 2G 6☐ 2G 7☐

2H. Assistance for manufactured home and mobile home owners
Extreme need . . . . No need
2H 1☐ 2H 2☐ 2H 3☐ 2H 4☐ 2H 5☐ 2H 6☐ 2H 7☐

3. Do you feel that your area attracts persons in need of housing?

3 1☐ Yes 3 2☐ No

3A. If yes, which one of the following is the largest group attracted to your area?

3A 1☐ Elderly
3A 2☐ Mentally or physically disabled
3A 3☐ Homeless
3A 4☐ AIDS or HIV infected persons
3A 5☐ Alcohol or drug addicted
3A 6☐ Other ____________________

PART 3 -- YOUR HOME

Please indicate if *your* dwelling unit has any of the following housing problems. Check one box for each structural characteristic, corresponding to the severity of the problem.

1. Inadequate plumbing
No problems . . . . Many leaks
1 1☐ 1 2☐ 1 3☐ 1 4☐ 1 5☐ 1 6☐ 1 7☐

2. Inadequate wiring
No problems . . . . Bare wires
2 1☐ 2 2☐ 2 3☐ 2 4☐ 2 5☐ 2 6☐ 2 7☐

3. Soot or smoke escaping into the home from fireplace or heater
No problems . . . . Much soot/smoke
3 1☐ 3 2☐ 3 3☐ 3 4☐ 3 5☐ 3 6☐ 3 7☐

4. Walls or ceiling with holes, falling plaster, peeling paint
No problems . . . . Severe problem
4 1☐ 4 2☐ 4 3☐ 4 4☐ 4 5☐ 4 6☐ 4 7☐

5. Missing window panes or cardboard/plastic instead of glass
No problems . . . . Panes missing
5 1☐ 5 2☐ 5 3☐ 5 4☐ 5 5☐ 5 6☐ 5 7☐

6. Doors or windows that stick or don't open
No problems . . . . Many stuck
6 1☐ 6 2☐ 6 3☐ 6 4☐ 6 5☐ 6 6☐ 6 7☐

7. Air leaks around windows or doors
No problems . . . . Many leaks
7 1☐ 7 2☐ 7 3☐ 7 4☐ 7 5☐ 7 6☐ 7 7☐

8. Roof sags, missing shingles, leaks
No problems . . . . Severe leaks
8 1☐ 8 2☐ 8 3☐ 8 4☐ 8 5☐ 8 6☐ 8 7☐

9. Cracked foundation
No problems . . . . Many or large cracks
9 1☐ 9 2☐ 9 3☐ 9 4☐ 9 5☐ 9 6☐ 9 7☐

10. Please comment on any problems with your house that are not listed above. 10 1__________
____
____
____

11. Do you own, rent, or have other arrangements for your home?
11 1☐ Own 11 2☐ Rent 11 3☐ Other

12. Which of the following best describes your current residence?
12 1☐ Single family home
12 2☐ Duplex, triplex, or 4-plex
12 3☐ Multifamily unit (more than 4 units in structure, e.g. apartment complex)
12 4☐ Manufactured or mobile home
12 5☐ Other type of home ________________

13. How many years have you lived in this residence? 13 1________________

14. When was your dwelling built? 14 1________

15. How many bedrooms does your residence have?
15 1☐ 0/studio 15 2☐ 1 15 3☐ 2
15 4☐ 3 15 5☐ 4 15 6☐ 5 or more

16. How many full bathrooms does your residence have?
16 1☐ 0 16 2☐ 1 16 3☐ 2 16 4☐ 3 or more

16A. How many half bathrooms does your residence have?
16A 1☐ 0 16A 2☐ 1 16A 3☐ 2 16A 4☐ 3 or more

17. How many people live in your household?
17 1________________

18. Are there persons under the age of 18 in your household? 18 1☐ Yes 18 2☐ No

18A. If yes, how many? 18A 1 __________

PART 4 -- YOUR HOUSEHOLD

1. Which of the following categories best describes your current occupation? (Please select only one.)

1 01☐ Administrative/Office	1 09☐ Engineering	1 17☐ Medical Professional
1 02☐ Accounting	1 10☐ Welder/Metal Fab.	1 18☐ Schoolteacher
1 03☐ Retail Trade	1 11☐ Construction	1 19☐ Personal Services
1 04☐ Restaurant/Food Svcs.	1 12☐ Truck Driver/Transp.	1 20☐ Heavy Equip Operator
1 05☐ Law/Legal Services	1 13☐ Mechanic/Auto Repair	1 21☐ Mining
1 06☐ Phys./Natural Science	1 14☐ Electrician/Plumber	1 22☐ General Laborer
1 07☐ Farming/Ranching	1 15☐ Finance/Insur/Real Est	1 23☐ Geology
1 08☐ Business Services	1 16☐ Manufacturing	1 24☐ Other __________

2. Are you currently employed in this occupation? 2 1☐ Yes 2 2☐ No

3. How long have you been in this occupation?
3 1 __________

4. If you rent, can you afford to buy a home?
4 1☐ Yes 4 2☐ No

5. If you are a homeowner, is it difficult for you to maintain your home?
5 1☐ Yes 5 2☐ No

5A. If yes, why?
5A 1☐ Don't know what to do
5A 2☐ Too expensive
5A 3☐ Need helper to do the maintenance
5A 4☐ Other __________

6. What is the sex of the head of household?
6 1☐ Male 6 2☐ Female

6B. If you are *not* the head of household, what is your sex? 6B 1☐ Male 6B 2☐ Female

7. What is the age of the head of household?
7 1 __________

7B. If you are *not* the head of household, what is your age? 7B 1 __________

8. What is your present marital status?
8 1☐ Married 8 2☐ Separated 8 3☐ Divorced
8 4☐ Widowed 8 5☐ Never Married

9. What is the race of the head of household?
9 1☐ White 9 3☐ Native American
9 2☐ Black 9 4☐ Asian/Pacific Islander
9 5☐ Other (specify) __________

10. What is the ethnic or cultural background of head of household (hispanic, Jewish, etc.)?
10 1 __________

11. Have you experienced unfair treatment related to housing (been denied or discouraged from a unit based on race, sex, family status etc.) within the last three years?
11 1☐ Yes 11 2☐ No

12. What is your level of education?
12 1☐ Completed high school
12 2☐ Some college
12 3☐ Completed college
12 4☐ Some graduate work
12 5☐ Graduate degree
12 6☐ None of the above

13. What is the monthly rent or mortgage payment for your home?

13 1☐ \$0 to \$99	13 7☐ \$600 to \$699
13 2☐ \$100 to \$199	13 8☐ \$700 to \$799
13 3☐ \$200 to \$299	13 9☐ \$800 to \$899
13 4☐ \$300 to \$399	13 10☐ \$900 to \$999
13 5☐ \$400 to \$499	13 11☐ \$1,000 or more
13 6☐ \$500 to \$599	

14. Does your rent payment include utilities?
14 1☐ Yes 14 2☐ No

15. Does anyone in your household have a self care or mobility limitation? 15 1☐ Yes 15 2☐ No

15A. If yes, what is the degree of the limitation?
Minor problem . . . . Major problem
15A 1☐ 15A 2☐ 15A 3☐ 15A 4☐ 15A 5☐ 15A 6☐ 15A 7☐

16. If you would like a summary of the survey results, please check here.
16 1☐ Yes, I would like a summary.

16A. If you answered yes and your current address is different from the one printed on the cover letter, what is your current address:
16A 1 __________
____
____

17. What is your annual household income?

17 1☐ Less than \$5,000	17 9☐ \$25,000 to \$27,499	17 17☐ \$45,000 to \$47,499
17 2☐ \$5,000 to \$9,999	17 10☐ \$27,500 to \$29,999	17 18☐ \$47,500 to \$49,999
17 3☐ \$10,000 to \$12,499	17 11☐ \$30,000 to \$32,499	17 19☐ \$50,000 to \$54,999
17 4☐ \$12,500 to \$14,999	17 12☐ \$32,500 to \$34,999	17 20☐ \$55,000 to \$59,999
17 5☐ \$15,000 to \$17,499	17 13☐ \$35,000 to \$37,499	17 21☐ \$60,000 to \$74,999
17 6☐ \$17,500 to \$19,999	17 14☐ \$37,500 to \$39,999	17 22☐ \$75,000 to \$99,999
17 7☐ \$20,000 to \$22,499	17 15☐ \$40,000 to \$42,499	17 23☐ \$100,000 or more
17 8☐ \$22,500 to \$24,999	17 16☐ \$42,500 to \$44,999	

SURVEY OF MONTANA'S HOUSING NEEDS

INSTRUCTIONS: Please answer all the following questions. Place a "✓" or an "x" in the boxes that best represent your opinion or situation. Use the back of these pages to make additional comments.

1. Which of the following best describes your current occupation? (Please select only one.)

101☐ Public Housing Official	106☐ Land Developer	111☐ Disabled/Aging Care Mgr.
102☐ Housing Program Mgr.	107☐ Planning Official	112☐ Owner of Rental Units
103☐ Banking Official	108☐ Interest Group	113☐ Contractor/Engineer
104☐ Real Estate	109☐ Elected Public Official	114☐ Other Business Owner
105☐ Housing Developer	110☐ Appointed Pub. Official	115☐ Other ____________

2. How many years of experience do you have in the occupation you indicated above? 21________

3. To what geographic area (or areas) of the state do your occupational responsibilities take you?
31☐ NE 32☐ SE 33☐ Central 34☐ NW 35☐ SW

4. What constituency do you represent or are you most familiar with? 41____________

YOUR AREA'S HOUSING STOCK

5. Which value best represents the current rental housing vacancy rate in your area?
51☐ 10% + 52☐ 9% 53☐ 8% 54☐ 7% 55☐ 6%
56☐ 5% 57☐ 4% 58☐ 3% 59☐ 2% 510☐ 1%

6. What do you think is the average monthly rental price (excluding utilities and services) for each of the following?
efficiency unit 61________
1 bedroom apartment 62________
2 bedroom apartment 63________
3 bedroom apartment 64________
4 bedroom apartment 65________

7. What is the average percent increase or decrease in rental prices since July 1990?
71______% increase
72______% decrease

For questions 8 to 15, please check the one box that best represents your opinion for each question. Boxes on the left mean one extreme, boxes on the right mean the opposite extreme.

8. The *availability* of rental housing in your community is
Plentiful . . . . Very short
81☐ 82☐ 83☐ 84☐ 85☐ 86☐ 87☐

9. The *affordability* of rental housing in your community is
Very expensive . . . . Very underpriced
91☐ 92☐ 93☐ 94☐ 95☐ 96☐ 97☐

10. The *suitability* of rental housing in your community is
Very suitable . . . . Not suitable
101☐ 102☐ 103☐ 104☐ 105☐ 106☐ 107☐

11. The *accessibility* of rental housing in your area for handicapped persons is
Very accessible . . . . Not accessible
111☐ 112☐ 113☐ 114☐ 115☐ 116☐ 117☐

12. The *availability* of owner-occupied housing in your community is
Plentiful . . . . Very short
121☐ 122☐ 123☐ 124☐ 125☐ 126☐ 127☐

13. The *affordability* of owner-occupied housing in your community is
Very expensive . . . . Very underpriced
131☐ 132☐ 133☐ 134☐ 135☐ 136☐ 137☐

14. The *suitability* of owner-occupied housing in your community is
Very suitable . . . . Not suitable
141☐ 142☐ 143☐ 144☐ 145☐ 146☐ 147☐

15. The *accessibility* of owner-occupied housing for handicapped persons is
Very accessible . . . . Very inaccessible
151☐ 152☐ 153☐ 154☐ 155☐ 156☐ 157☐

16. What major factors affect the ability of persons to buy homes in your area? Continue on back if necessary. 161____________
____
____

17. Do you think building and zoning regulations affect the availability of housing in your area?
171☐ Yes 172☐ No
17A. If yes, check the following if they apply:
17A1☐ Increased energy efficiency codes
17A2☐ Other (specify)____________

18. To what degree do the following factors affect the affordability or cost of housing?

18A. Building codes
Decrease cost . . . . Increase cost
18A1☐ 18A2☐ 18A3☐ 18A4☐ 18A5☐ 18A6☐ 18A7☐

18B. Building energy efficiency codes
Decrease cost . . . . Increase cost
18B1☐ 18B2☐ 18B3☐ 18B4☐ 18B5☐ 18B6☐ 18B7☐

18C. Zoning regulations
Decrease cost .... Increase cost
18C 1☐ 18C 2☐ 18C 3☐ 18C 4☐ 18C 5☐ 18C 6☐ 18C 7☐

18D. Financing affordable housing projects
Decrease cost .... Increase cost
18D 1☐ 18D 2☐ 18D 3☐ 18D 4☐ 18D 5☐ 18D 6☐ 18D 7☐

18E. Saving for conventional loan down payments
Decrease cost .... Increase cost
18E 1☐ 18E 2☐ 18E 3☐ 18E 4☐ 18E 5☐ 18E 6☐ 18E 7☐

19. What is the average percent increase or decrease in housing prices since July 1990?
19 1________% increase
19 2________% decrease

20. Do you feel that your area's population has changed significantly since spring 1990?
20 1☐ Yes 20 2☐ No

20A. If yes, what percent has it changed?
20A 1 ______________

YOUR AREA'S HOUSING CHARACTERISTICS

The next set of questions relate to your estimation of the needs that various groups have for housing.

21. Please characterize the degree of need the following groups have for housing in your area; choose one box for each.

21A. Elderly
Severe need .... No need
21A 1☐ 21A 2☐ 21A 3☐ 21A 4☐ 21A 5☐ 21A 6☐ 21A 7☐

21B. Mentally or Physically Disabled
Severe need .... No need
21B 1☐ 21B 2☐ 21B 3☐ 21B 4☐ 21B 5☐ 21B 6☐ 21B 7☐

21C. Homeless
Severe need .... No need
21C 1☐ 21C 2☐ 21C 3☐ 21C 4☐ 21C 5☐ 21C 6☐ 21C 7☐

21D. AIDS or HIV Infected Persons
Severe need .... No need
21D 1☐ 21D 2☐ 21D 3☐ 21D 4☐ 21D 5☐ 21D 6☐ 21D 7☐

21E. Alcohol or Drug Addicted
Severe need .... No need
21E 1☐ 21E 2☐ 21E 3☐ 21E 4☐ 21E 5☐ 21E 6☐ 21E 7☐

21F. Racial Minority
Severe need .... No need
21F 1☐ 21F 2☐ 21F 3☐ 21F 4☐ 21F 5☐ 21F 6☐ 21F 7☐

21G. Please identify other prospective groups in your area who are in need of housing. 21G___
____
____
____

22. Given your in-need populations and housing stock, characterize your area's housing needs?
Severe needs .... No need
22 1☐ 22 2☐ 22 3☐ 22 4☐ 22 5☐ 22 6☐ 22 7☐

23. Do you feel that your area is a magnet for those needing assisted living?
23 1☐ Yes 23 2☐ No

23A. If yes, how does that affect your community?
Positive effect .... Negative effect
23A 1☐ 23A 2☐ 23A 3☐ 23A 4☐ 23A 5☐ 23A 6☐ 23A 7☐

24. Please rate the degree of need for each of the following:

24A. Rental assistance
Extreme need .... No need
24A 1☐ 24A 2☐ 24A 3☐ 24A 4☐ 24A 5☐ 24A 6☐ 24A 7☐

24B. Production of new rental units
Extreme need .... No need
24B 1☐ 24B 2☐ 24B 3☐ 24B 4☐ 24B 5☐ 24B 6☐ 24B 7☐

24C. Rehabilitation of old rental units
Extreme need .... No need
24C 1☐ 24C 2☐ 24C 3☐ 24C 4☐ 24C 5☐ 24C 6☐ 24C 7☐

24D. Acquisition of existing rental units
Extreme need .... No need
24D 1☐ 24D 2☐ 24D 3☐ 24D 4☐ 24D 5☐ 24D 6☐ 24D 7☐

25. How difficult is it to obtain financing for affordable housing projects?
Very difficult .... Very easy
25 1☐ 25 2☐ 25 3☐ 25 4☐ 25 5☐ 25 6☐ 25 7☐

25B. If you feel that financing is difficult, to what do you attribute any problems? 25B 1_____
____
____
____

HOMELESS AND SUPPORTIVE HOUSING INVENTORY

The following table relates to services and facilities for the homeless and for non-homeless persons with special needs. The first section, question 26, is further broken down into services and facilities which include an overnight stay, and those which do not include an overnight stay.

Question 27 asks for supportive housing with a service component for non-homeless persons with special needs. Please note that both questions ask for facilities and services, not the number of people that they help. Please provide what information you can.

26. Facilities and Services for the Homeless and Threatened with Homelessness

Please remember, this is an inventory of services and facilities, not people (check one box (☐) for type of program)

26A. OVERNIGHT HOUSING Name and Location (street address and city)	Emergency shelter	Transitional housing	Permanent housing for disabled homeless	# of Units	Overnight Sleeping Capacity
1.	☐	☐	☐		
2.	☐	☐	☐		
3.	☐	☐	☐		
4	☐	☐	☐		
5.	☐	☐	☐		
6.	☐	☐	☐		
7.	☐	☐	☐		
8.	☐	☐	☐		

26B. SERVICES OTHER THAN OVERNIGHT HOUSING Name and Location (street address and city)		Day shelter	Soup kitchen	Other less than overnight (specify)	Capacity
1.		☐	☐	☐	
2.		☐	☐	☐	
3.		☐	☐	☐	
4.		☐	☐	☐	
5.		☐	☐	☐	
26C. Other Homeless Programs (Name and Location)	**Social Service Progr.**	**Meal voucher**	**Shelter voucher**	**Service voucher (specify)**	**Capacity**
1.	☐	☐	☐	☐	
2.	☐	☐	☐	☐	
3.	☐	☐	☐	☐	
4.	☐	☐	☐	☐	
5.	☐	☐	☐	☐	

26D. Social service programs (non-housing) to prevent low-income persons from becoming homeless	
1.	3
2.	4.

27. Facilities and Services for Non-Homeless Persons with Special Needs

(includes elderly, frail elderly, severe mental illness, developmentally or physically disabled, alcohol or drug addicted, AIDS, and others)

27A. Supportive housing that includes a planned service component (group homes, single-room occupancy, etc.): Name and Location (street address and city)	Capacity	27B. Programs ensuring that persons returning to the community from mental and physical health institutions receive supportive housing	Capacity
1.		1.	
2.		2.	
3.		3.	
4.		4.	
5.		5.	
6.		6.	
7.		7.	
8.		8.	

ADDITIONAL COMMENTS

The following questions ask for your opinions regarding general areas for policy formation. Please answer all that you wish. If you need additional space for your response, simply write on the back of these pages.

28. What opportunities for creating affordable housing in your area exist due to area market conditions?

29. What barriers for creating affordable housing in your area exist due to area market conditions?

30. What organizational or institutional barriers to affordable housing exist in your area?

31. What things might best facilitate solving your area's housing problems?

32. Are there gaps in the delivery of programs and resources in your area? If so, please describe them.

33. If you would like a copy of the survey results, please check the box below.
    33 1☐ Yes, I would like a summary of the results.

If your address is different from that presented on the cover letter, please enter you new address at right.

____
____
____
____

THANK YOU FOR YOUR ASSISTANCE!

APPENDIX B
NPA FORECAST DOCUMENTATION
SOURCES AND METHODS OF PREPARATION OF THE 1992 REGIONAL ECONOMIC PROJECTIONS SERIES DATABASE

Content and Design of the Regional Economic Database

The 1992 *Regional Economic Projections Series*, (REPS™) includes historical estimates for 1967-1992 and annual projections for the years 1993-2015, prepared by the NPA Data Services.

There are a total of 9.3 million data points in the REPS regional economic database. The data content and arrangement of the economic database follows the layout of the database of the Regional Economic Measurement Division, Bureau of Economic Analysis (BEA) of the United States Department of Commerce, from which most of the underlying historical data for the period 1967-1991 were obtained. The data were further processed by the NPA Data Services, Inc., by filling in estimates for missing data cells, obtaining available data, and by developing benchmark estimates for 1992, and by converting all dollar amounts to constant 1987 dollars by means of the implicit deflator for Personal Consumption Expenditure. A list of the variables in the REPS economic database showing the relationships among them is given in Table B.1.

Geographic Units

There are a total of 3,659 United States geographic areas in the REPS database, including 3096 counties or county equivalents, 51 states and the District of Columbia, 319 Metropolitan Statistical Areas, 183 Economic Areas, 9 Census Regions, and the United States totals.

Where possible, county or county equivalent geographic definitions were used. However, in Virginia, special county definitions were necessary--combining counties and independent cities--and in six other states, county combinations were required involving, in most cases, recently created counties or equivalents for which sufficient historical data is not available to permit separate projections.

The Reps database includes 319 Metropolitan Statistical Areas (MSAs) reflecting the U.S. Office of Management and Budget definitions in effect in 1992, the base year of this projection.[53] The Appendix contains definitions of these MSAs in terms of their component counties listing their official FIPS (Federal Information Processing System) code numbers. Similar listings are provided in the Appendix for component counties of states and for component states of regions.

This database also includes 183 Economic Areas defined by the BEA. The Appendix in Volume 1 contains definitions of these areas in terms of their component counties.

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[53] A set of new definitions which was issued in December 1992 is already scheduled for major revisions in July 1993. Most government statistical agencies, including the Bureau of Labor Statistics which originates MSA and county employment data, are following the MSA definitions which were in effect in 1992 and earlier years. This practice is followed also in this volume. The revised new definitions will be introduced in the *1993 Regional Economic Projection Series* to be published early in 1994.

TABLE B.1
Variables Included in the NPA Data Services, Inc., Economic Database

1. Total Employment

(Total Employment By Type)

2. Proprietor Employment
3. Farm Proprietor
4. Nonfarm Proprietor

(Total Employment By Industry Sector:)

6. Farm
7. Nonfarm
8. Private Nonfarm
9. Other (Agricultural Services, Forestry, Fisheries)
10. Mining
11. Construction
12. Manufacturing
13. Transportation, Communication and Public Utilities
14. Wholesale Trade
15. Retail Trade
16. Finance, Insurance and Real Estate
17. Services
18. Government
19. Federal Civilian
20. Federal Military
21. State and Local

(Earnings of Employees and Proprietors By Type:)

22. Wages and Salaries*
23. Other Labor Income*
24. Proprietors Income*
25. Farm Proprietors Income
26. Nonfarm Proprietors Income

(Earnings of Employees and Proprietors By Sector:)

27. Farm
28. Nonfarm
29. Private Nonfarm
30. Other (Agricultural Services, Forestry, Fisheries)
31. Mining
32. Construction
33. Manufacturing
34. Transportation, Communications and Public Utilities
35. Wholesale Trade
36. Retail Trade
37. Finance, Insurance and Real Estate
38. Services
39. Government
40. Federal Civilian
41. Federal Military
42. State and Local
43. Total Earnings of Employees and Proprietors, All Industries

(Personal Income and Population:)

44. Personal Contributions to Social Insurance (S.I. contribution)(-)*
45. Earnings of Labor and Proprietors by Place of Work (excluding S.I. contribution)
46. Residence Adjustment*
47. Earnings of Labor and Proprietors by Place of Residence (excluding S.I. contribution)
48. Dividends, Interest and Rent*
49. Transfer Payments to Person*
50. Personal Income Per Capita
51. Personal Income
52. Resident Population

*Components of personal income of resident population. Personal contributions to social insurance are subtracted.

Population

Total population in the 1992 regional economic and demographic databases include the results of the 1970, 1980 and 1990 Census of Population shifted to July 1, 1991 county population estimates by the Census Bureau; and July 1, 1992, county estimates by the NPA Data Services, Inc., based on the 1992 Census reports of state population. The present database also reflects the revised July 1 county estimates of population for the years 1981-1989 and 1971-1979, released by the U.S. Bureau of the Census, for consistency with the 1970, 1980 and 1990 Census results. The population data for the Census years 1970, 1980 and 1990 has been re-based forward from the April count to July 1. Hence, the population figures in the REPS database for these years differ from the many published Census results by the amounts of population change between April and July. Population data is expressed in thousands of persons, carried with two additional decimal places.

Employment

The employment concept used in the REPS economic database is job counts--measured in thousands of proprietors and wage and salary workers. For wage and salary workers the number of full-time and part-time employees are used with no attempt to convert to equivalents. Accordingly, a person with more than one job would be counted more than once. this employment series is greater than employment measured by the number of persons employed. Also, because of differences in coverage--in particular of the military (to include the National Guard and the active reserves), employees of households, students employed by state universities, and elected state and local government officials--the BEA employment totals for nonagricultural wage and salary workers differ from, and generally are larger than, the corresponding Bureau of Labor Statistics data.

The definition of proprietors currently in use by the BEA is based on the number of sole proprietors and partners (excluding partners in limited partnerships) as determined from the IRS income tax records. This concept yields a considerably higher estimate of the number of proprietors than the estimates derived from the household survey which counts only proprietors who report the conduct of their unincorporated businesses as their primary employment. In the present data set, the secondary self-employment jobs are treated symmetrically with the secondary wage and salary jobs; and the data for proprietors income and for the number of proprietors are derived from the same sources.

The national employment series is residence based. Thus, United States citizens residing and employed outside the country are not included. However, the regional employment series used here is based on place of work and not on place of residence; thus, a commuter living outside the center city county but working there would be counted as employed in the center city county.

The county data obtained from the BEA contains cells for both employment and earnings in private nonfarm wage and salary sectors that were withheld because of federal information disclosure rules. Estimates for the missing cells were filled in by the NPA Data Services, Inc. As a general procedure, the estimate for earnings was filled in first. The matching employment estimate was made after a ratio of earnings per worker in the category was established. In specific instances, to estimate the missing data for specific areas in an industry, the data for omitted years was interpolated from existing yearly data. If data for all years, or most years, for a given county in an industry were withheld, state distribution of the industry or distribution of other industries within the county were used to estimate the missing values. For example, if most of the yearly data for mining in a given county were withheld, the share of mining relative to total in the county for the years for which

earnings or employment in mining were reported would be used to estimate the missing years. If all he years were missing for mining employment in a given county, then the available data for the share of total county employment relative to state total was used as the starting point to estimate the missing county data.

The interpolated cells were then constrained to county employment totals and aggregated to economic area and state totals. The constraining procedure is nonreiterative with respect to the state totals. Thus, the state data for series with missing data may change with aggregation.

Earnings

Earnings of 1-digit SIC industries are the sum of wage and salary income, other labor income, and of proprietor's income as defined by the National Income and Product Accounts (NIPA). The earnings figures are in thousands of 1987 dollars as deflated by NPA Data Services using the personal consumption expenditure deflator given in Table 4.3 for the years 1967-92. The Table also includes a projection of the deflator which is included here to help the users translate the constant dollar amounts projected in the *Regional Economic Projections Series* into actual dollar amounts likely to be current in future years.

As with the employment series, earnings are residence based nationally so that earnings of the United States citizens employed outside the United States are not included; and again, regionally, the earnings series are reported by place of work and not of residence.

Personal Income

Personal income by type of income is also defined as in NIPA. The first four components (wages and salaries, labor income, and farm and nonfarm proprietor's income) sum to earnings. Dividends, interest, and rental income of persons are also included in personal income. However, personal contributions to social insurance are subtracted for the sum of the other parts of personal income in calculating personal income. Residence adjustment is the net amount of personal income earned in a geographic area that is earned by people not residing in the area. Thus, a negative residence adjustment for an area implies that workers commute into this area to earn income but do not reside there; similarly, a positive residence adjustment for an area implies that on the balance the area "exports" labor of its residents.

Personal income and its components are also in thousands of 1987 dollars as deflated by the personal consumption expenditure deflator shown in Table B.2. For count income data containing cells for private nonfarm earnings which were withheld because of federal information disclosure rules, the procedures used to estimate these cells were already described in discussion of the employment data. Estimates of missing employment and earnings data were made jointly in order to maintain consistency among them.

TABLE B.3
Personal Consumption Expenditure Deflator, 1967-2015
(1987 = 0)

Actual		Projected Assuming Increases of 3.8% per Year	
1967	31.4	1993	128.5
1968	32.7	1994	133.4
1969	34.1	1995	138.5
1970	35.6	1996	143.7
1971	37.4	1997	149.2
1972	38.8	1998	154.8
1973	41.0	1999	160.7
1974	45.2	2000	166.8
1975	48.9	2001	173.2
1976	51.8	2002	179.8
1974	55.4	2003	186.6
1978	59.4	2004	193.7
1979	64.7	2005	201.0
1980	71.4	2006	208.7
1981	77.8	2007	216.6
1982	82.2	2008	224.8
1983	86.2	2009	233.4
1984	89.6	2010	242.3
1985	93.1	2011	251.5
1986	96.0	2012	261.0
1987	100.0	2013	270.9
1988	1.402	2014	281.2
1989	109.1	2015	291.9
1990	115.0		
1991	120.0		
1992	123.6		

Sources: U.S. Department of Commerce; NPA Data Services, Inc.

Economic Growth Assumptions

The U.S. economic growth assumptions underlying the *1992 Regional Economic Projections Series* are those contained in the *1992 National Economic Projections Series* (Volumes 2 and 3). These national projections of income and employment data series were linked to the corresponding 1991 national benchmarks given in the BEA state database issued in August 1992 which embody somewhat different measurement concepts and data preparation methods.

The current national economic projection is characterized by rising labor force participation rates, higher future birth rates and higher future rates of immigration than previously projected. Because of the aging of the U.S. population and exit of the baby boomers generation from the labor force, considerable long-term slow-down is projected after 2010 in the rates of growth of labor force and employment. Nevertheless, continued growth in labor force relative to population, a modest projected revival in the rates of capital formation, and a moderate acceleration of productivity growth will help maintain continued positive growth in earning and in personal income per capita though at somewhat slower rates than prevailed in the past.

The main economic variable in the *Regional Economic Projections Series* is real personal income. Movements in the real personal income closely parallel changes in Gross Domestic Product (GDP). The historical data for personal income were deflated by the personal consumption deflator series shown in Table 4.3. the projections were made in constant dollars. The historical and projected personal income of the 1992 REPS is shown in Table B.4, in 1987 prices for the years 1984-2015, together with the annual percentage changes in real personal income for these years.

The *National and Regional Economic Projections Series* are primarily concerned with the long term rates of growth, and their underlying analyses are primarily noncyclical. However, the actual data for the latest historical year always reflect specific current economic condition; and explicit assumptions are made for he next few years t connect the present conditions to long-term trends. During recessions and recovery stages of the business cycle, as is currently the case, specific assumptions are made for the next several years about cyclical changes which would return the economy to its long-term trends. The long-term trend is defined as the average of different stages of business cycles applicable to the projection period.

Based on the economic information available as of the end of April 1993, the 1990-91 recession has bottomed out in the second quarter of 1991, and a gradual recovery has continued through early 1993. The 1990-91 recession was comparatively short and mild. However, the recovery has been slow and halting, evidently as a result of continued reductions in defense employment and procurement.

The recent projected path of the economy, during the present business cycle, is summarized by the following number for the two principal indicators of cyclical economic conditions, the unemployment rate and the annual changes in GDP for 1988-1998:

TABLE B.4
Real Personal Income, 1984-2015

Year	Billions of 1987 Dollars	Percent Change From Previous Year
1984	3461	6.8
1985	3563	3.0
1986	3666	2.9
1987	3754	2.4
1988	3895	3.8
1989	4013	3.0
1990	4066	1.3
1991	4024	-1.0
1992	4096	1.8
1993	4210	2.8
1994	4306	2.3
1995	4425	2.7
1996	4525	2.3
1997	4621	2.4
1998	4733	2.2
1999	4838	2.2
2000	4957	2.4
2001	5056	2.0
2002	5155	2.0
2003	5259	2.0
2004	5364	2.0
2005	5473	2.0
2006	5585	2.0
2007	5700	2.1
2008	5815	2.0
2009	5931	2.0
2010	6055	2.1
2011	6170	1.9
2012	6285	1.9
2013	6401	1.9
2014	6518	1.8
2015	6635	1.8

Source: 1984-92: Based on Bureau of Economic Analysis (BEA), U.S. Department of Commerce national data linked to the sum of county data for the United State reported in the September 1992 database of the Regional Economic Measurement Division of BEA.

1993-2015 projections: NPA Data Services, Inc.

	Civilian Unemployment Rate	GDP Change
1988	5.5%	3.9%
1989	5.3	2.5
1990	5.5	0.8
1991	6.6	-1.2
1992	7.4	2.1
1993	6.8	2.7
1994	6.2	2.9
1995	5.6	3.2
1996	5.4	2.6
1997	5.2	2.6
1998	5.1	2.4

During the early stages of cyclical expansions, the unemployment rate usually lags somewhat behind employment and the GDP as the number of entrants into the labor force increases cyclically and productivity rebounds.

After 1997, after the bulk of defense cuts are completed, the unemployment rate and the annual growth in GDP are projected to return to their respective long-term trends. After that year, further changes projected for the economy reflect mostly long-term structural factors.

Methods of Projection

The basic method used to generate the regional economic projection in the present series can be described as a "regional growth accounting model" which disaggregates the national forecast into consistent subnational forecasts. The national forecasts of total population, employment by industry, earnings by industry, and personal income are generated by the economic growth model of the United States (Version 93.A) and related sectoral projection models.

The national projections of the variables in the economic database (Table 4.1) are first allocated to the economic areas and then to counties within these areas through a two-step regional disaggregation process utilizing relative growth rate differential and multiplier analyses. The resulting county estimates are then aggregated into state, regional, and metropolitan statistical area totals.

As a general procedure, the economic area forecast begins by projecting employment in each industry for each area based on area historical growth rate differentials from the U.S. growth rates. The growth differentials are derived for the base period defined by the endpoints between the average values of each series for 1969, 1971 and 1973 and their average values for 1989, 1990 and 1992. Average values of individual employment series for these two endpoints are used to calculate the differences between the national growth rate and the area growth rate for each of the employment sectors.

The calculated area growth rate differentials for each industry are assumed to decay over the projection horizon. A decay series of X^t, $X < 1.0$, (where X is industry specific and is derived from historical experience, and t takes the values 1 through 23 for the projection years 1993 to 2015) was applied to each area's observed historical differential yielding an initial estimate of area projected

growth rate differentials. Adding these values to the projected national growth rates, multiplying by prior year employment, and constraining the area values to national controls yielded the final estimates of projected area employment. The multiplier effects of changes in other nonbasic industries is calculated in the process.

The current projection includes special local adjustments for closing and relocations of military bases and for changes in the military and civilian personnel employed in them and, also, for reductions in private employment by defense contractors in manufacturing and services resulting from the projected cuts in defense procurement.

The next stage in the projection process is population, which is assumed to follow total employment opportunities. The area specific rations of employment to population in the base period reflect the long-term structural differences among areas in age composition of population in employment rates in labor force participation in the age structure of migration flows and in interarea commuter flows. The projected employment-population ratios of the individual economic areas are constrained to move in proportion to changes in the employment/population ratio projected for the United States.

Finally, personal income projections are developed by using a series of multiplied calculations. For each sector, earnings per job multiplied changes are calculated for the historical periods defined above. The national/area differentials are assumed to decay over the projection horizon; and the area earnings estimates are constrained to equal the national controls, yielding total labor and proprietor's earnings by area.

Estimates of total wages and salaries, other labor income, and contributions to social insurance are projected using a per job multiplier calculation. The non-earnings components of personal income (transfers and dividends, interest and rent) are projected using a per capita multiplier. Summing earnings by sector, subtracting personal contributions to social insurance, and adding the residence adjustment, transfers, and property incomes (dividends, interest, and rent) yields projected personal income. Dividing by area population yields per capita income.

County Projections

In general, the projection methods developed for the economic area projections are also used for county level projections. In this case, however, economic areas act as the control areas, and the growth rate and multiplier differentials are calculated relative to the economic area growth rates.

Population is treated differently at the county level. In this case, growth rate differentials are used instead of multipliers. Thus, county level population share are not directly related to employment changes since intra-area commuting is common, and the residential patterns follow their own trends.

DEMOGRAPHIC PROJECTION TECHNIQUE USED IN THE 1992 REGIONAL ECONOMIC PROJECTIONS SERIES

Population

The 1992 REPS™ demographic projection completed in May 1993 was based on a projection of closed population at the economic area and at the county level of geographic detail and on

corresponding migration analyses. (The county definitions of Economic Areas are listed in the Appendix to Volume I of this Series.) The closed population was projection by the cohort component method which uses the appropriate age and race specific birth rates and age, sex, and race specific survival rates to project the natural increase (excluding migration) of population of each area. Total net migration was given as the difference between this "closed" population and an externally derived estimate of total "open" population obtained from the REPS economic model. Distribution of the total net migration by age, sex and race yields the final estimates of projected "open" population by age, sex, and race.

The estimating process was first applied at the Economic Area level, with the projected U.S. estimates acting as control values. The 1992 REPS demographic projections begin with the actual county population totals from the 1990 Census of Population shifted to July 1 base reflecting the MARS (modified age, race and sex) county population estimates for the 1990 Census released by the Census Bureau in February and March 1992, in the detailed estimates of county population for July 1 of the years 1981-1989 released in February 1992, and on estimates of July 1 county population for 1992 and 1992 based respectively on the county and the state population reports from the Bureau of the Census for these two dates.

In projecting closed population of each economic area for future years, a matrix of five-year birth rates by age and race of mother, based on the new (December 1992) Census Bureau estimates, is multiplied by the female population cohort estimates in the corresponding childbearing age groups, yielding give-year births totals by age and race of mother for the area. Multiplying these estimates by a sex ratio yields births by sex and race.

Next, the population in each five-year cohort is multiplied by age, sex and race specific five-year survival rates applicable to the area. This yields estimates of the "closed" population. Subtracting total closed population figures from the total "open" population estimates obtained from the REPS economic model yields an estimate of total implicit net migration for each area.

The historical migration data by age, race and sex for each area are then used to distribute the total net migration by these groups. The migration rates are adjusted to smooth out the sampling fluctuations, to reflect specific local population characteristics, such as the military population, and also for consistency with the observed changes in the distribution of population between 1980 and 1985 and between 1985 and 1990, given birth and survival rates for the area.

This projection process was applied to 1990, 1995, 2000, 2005, and 2010 yielding estimates for 1995, 2000, 2005, 2010 and 2015. Data for the intervening years (1991-1994, 1996-1999, 2001-2004, 2006-2009, 2011-2014) were calculated by interpolation between the 1990, 1995, 2000, 2005, 2010 and 2015 values. Estimates for 1991 were adjusted to conform to total July 1, 1991 population estimates for counties and for 1992 to the July 1, 1992, estimate of states released by the Census Bureau in December 1992.

The entire estimating process was the repeated at the county level of detail with the projected Economic Area estimates acting as control values for the county projections in the respective Economic Areas.

Households

The number of households by county in the *1992 Regional Economic Projections Series* issued in May, 1993 contains historical estimates for the years 1967-92 and projections for the years 1993-2015. This current database reflects the official county household data from the 1990 Census of Population for April 1, 1990 and the county data from the 1980 Census of Population (both rebased to July 1). Estimates of county households for the years 1981-89 were derived from the intercensal county population estimates released by the Census Bureau in February 1992 by interpolation linearly the ratios of adult population to households between the two Census years and by conforming the result to relative annual changes reported for these years in the Current Population Reports. The estimates for 1991 and 1992, and projections for 1993-2015, were derived from independently projected ratios of adult county population to households for these years and conformed to an independently derived U.S. total projection of the number of households by year to 2015.

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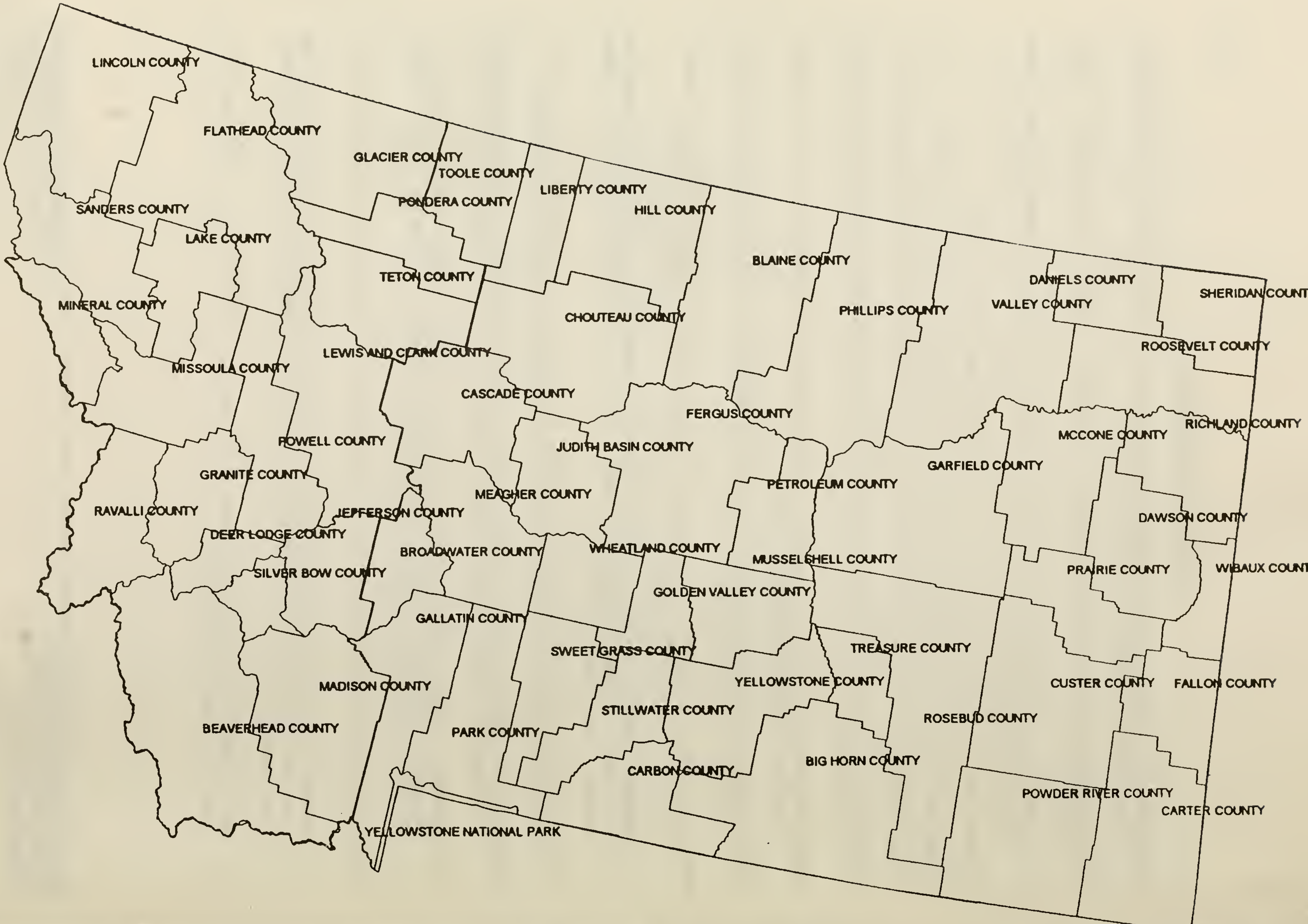
LINCOLN COUNTY
FLATHEAD COUNTY
GLACIER COUNTY
TOOLE COUNTY
LIBERTY COUNTY
HILL COUNTY
PONDERA COUNTY
SANDERS COUNTY
LAKE COUNTY
BLAINE COUNTY
TETON COUNTY
DANIELS COUNTY
SHERIDAN COUNTY
MINERAL COUNTY
CHOUTEAU COUNTY
PHILLIPS COUNTY
VALLEY COUNTY
ROOSEVELT COUNTY
LEWIS AND CLARK COUNTY
MISSOULA COUNTY
CASCADE COUNTY
FERGUS COUNTY
RICHLAND COUNTY
MCCONE COUNTY
POWELL COUNTY
JUDITH BASIN COUNTY
GARFIELD COUNTY
GRANITE COUNTY
PETROLEUM COUNTY
MEAGHER COUNTY
RAVALLI COUNTY
JEFFERSON COUNTY
DAWSON COUNTY
DEER LODGE COUNTY
WHEATLAND COUNTY
BROADWATER COUNTY
MUSSELSHELL COUNTY
PRAIRIE COUNTY
WIBAUX COUNTY
SILVER BOW COUNTY
GOLDEN VALLEY COUNTY
GALLATIN COUNTY
TREASURE COUNTY
SWEET GRASS COUNTY
YELLOWSTONE COUNTY
CUSTER COUNTY
FALLON COUNTY
MADISON COUNTY
STILLWATER COUNTY
ROSEBUD COUNTY
BEAVERHEAD COUNTY
PARK COUNTY
BIG HORN COUNTY
CARBON COUNTY
POWDER RIVER COUNTY
CARTER COUNTY
YELLOWSTONE NATIONAL PARK